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FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

African guerilla gunmen 'kill 26'

African nationalist guerillas were accused yesterday of massacring at least 26 black workers with automatic weapon fire on a tea estate near Rhodesia's eastern border with Mozambique.

The guerillas had abducted a number of workers, their wives and children on Sunday, according to a Rhodesian security force communique issued in Salisbury.

The men had then been singled out, forced to walk to a neighbouring tea estate and told to lie down. Opening fire, the guerillas killed at least 26 and injured seven others, it was claimed.

Rhodesia has accused nationalist guerillas of a series of similar incidents, including the murder of three Roman Catholic missionaries.

At the United Nations, the General Assembly yesterday called for wider economic sanctions against Rhodesia and asked the Security Council to meet urgently to consider the matter. Back Page

Aldermaston: plutonium scare

An urgent inquiry was underway yesterday at the Aldermaston, Berkshire, atomic weapons research establishment into how waste material contaminated with plutonium started smouldering over the week-end. Last night the Defence Ministry, describing the incident as "minor," said no-one was injured or contaminated, and no radioactivity escaped.

Army wife found dead in Ulster

A British soldier's 24-year-old wife, whose husband is a lance corporal in the 4/7 Dragoon Guards attached to the Army dog unit in Ulster, was found stabbed to death at her Lisburn, Co. Antrim, home yesterday. The couple's 15-month-old daughter was unharmed. Three weeks ago the Provisional IRA warned Army families that they could expect to be attacked.

Carter names 3 more for Cabinet

Mr. Jimmy Carter, U.S. President-elect, yesterday picked three more members of his Cabinet. Judge Griffin Bell is to be Attorney-General, while Mrs. Juanita Kreps becomes Commerce Secretary, and Mr. Bob Bergland, Agriculture Secretary. Judge Bell is a Georgian from Americus, 10 miles down the road from Mr. Carter's home town, Plains. Page 5

3 to face Spain land deal charges

Three people are to be accused in connection with deals in land and apartments in Spain totalling more than £1m. Scotland Yard's Serious Crimes Squad has been investigating the deals for several months and summonses will be applied for under the Exchange Control Act, 1947. Large sums are alleged to have been moved from the U.K. and used for buying and selling land. Cortes president mobbed in Madrid. Page 6

Four dangerous men at large

Four prisoners described by police as dangerous, escaped yesterday after overpowering their escort of three prison officers while being driven on remand to Swansea jail from a Haverfordwest courtroom.

Briefly . . .

The Commons agreed yesterday to honour former Labour Prime Minister Clement Attlee with a memorial at Westminster. Page 12

The RAF has put 10 Belfast heav ytransport aircraft on sale because of Defence Ministry cuts.

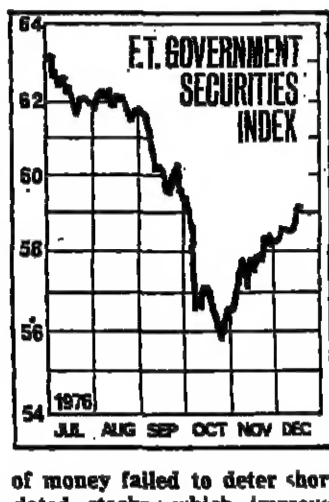
Pope Paul is to canonise the Blessed John Neumann of Philadelphia as the first American male saint.

BUSINESS

Stronger £ boosts equities and gilts

● EQUITIES made further gains, as stock market sentiment was encouraged by the improvement in sterling and the slackening in growth of the money supply. Profit-taking left final quotations below the day's best, but the tone remained sound. The FT 30-Share Index 4.8 ahead at 1 p.m., closed at 341.0, up 1.5 on the day.

● GILTS also made fresh headway. Longs advanced up to ¼, while the continuing tightness



of money failed to deter short-dated stocks, which improved up to ¼. The Government Securities Index rose 0.13 to 59.16.

● STERLING gained 1.05 cents to close at $1.6815. Its trade-weighted depreciation narrowed to 44.7 (44.9) per cent.; dollar's widened to 1.33 (0.85) per cent. West German mark was very firm.

● GOLD rose 25 cents to $132.125.

● WALL STREET was down 4.58 at 974.48 near the close.

● EEC AGRICULTURAL Ministers agreed on new beef import arrangements from April. Britain believes that it will be better placed to import beef if necessary and that this will help keep down prices. Page 23

Vauxhall plans new pay deal

● VAUXHALL is on the verge of a new agreement covering pay for workers laid off as a result of industrial disputes. The pact will put pressure on other car makers for similar deals. Back Page

● EMPLOYMENT Secretary, Mr. Albert Booth, will meet union officials to-day todiscuss the electricians' strike which is threatening the future of the Rubery Owen factory at Darlaston. Earlier story, Page 11

● LEYLAND has received a £1.2m. order from Tanzania for 300 Land Rovers, only days after the opening of its new commercial vehicle plant in neighbouring Kenya. Page 7

● OIL companies are trimming proposed price rises and are generally putting up the wholesale price of petrol by just 1p a gallon. Page 8

● THERMO-NUCLEAR fusion project, the JET—which most EEC countries feel should be built in the U.K. or Germany—is on its "deathbed," because the French refuse to have it built outside France. Page 4

● FOUR SENIOR railway executives and a new part-time member are to join the British Rail Board as part of a shake-up in the management structure. Back Page

COMPANIES

● KEYSER ULLMANN reported a £6.3m. pre-tax loss in the half-year to September 30. Page 18 and Lex

● ILLINGWORTH MORRIS made pre-tax profit of £1.44m. (£0.78m.) on sales of £55m. (£44m.) in the first half. Page 17 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treas. 15½pc 1998 A	£99⅞	+ ¼
Assod. Dairies	184	+ 4
BICC	83	+ 5
Beecham	384	+ 4
Bibby (J.)	92	+ 10
British Northrop	96	+ 4
Burton Group A	32	+ 3
Churchbury Estates	138	+ 4
Collins (Wm.)	96	+ 4
Costain (R.)	132	+ 5
DRG	83	+ 4
Edge Tool 5pcPf.	45	+ 20
Foseco Minsep	136	+ 8
Hammerson A	305	+ 7
Hawker Siddeley	426	+ 6
Imp. Cont. Gas	325	+ 11
Reckitt and Colman	330	+ 10
Smith (W. H.) A	308	+ 6
Spear and Jackson	118	+ 6
Tarmac	112	+ 4
Taylor Woodrow	242	+ 12
Unilever	428	+ 12
East Asiatic Rubber	95	+ 28
Malayan Tin	213	+ 6
St. Piran	63	+ 6
Utah Mining	430	+ 10
Whim Creek	155	+ 35
FALLS		
Berisford (S. and W.)	142	− 6
Keyser Ullmann	18	− 2
MEPC	45	− 3
St. Kitts (London)	143	− 17
British-Borneo	136	− 17
Buffelsfontein	600	− 20
Doornfontein	195	− 20
Winkelhaak	405	− 25

EEC fails to reach fishing agreement with Iceland

BY ROBIN REEVES, BRUSSELS, Dec. 20

The British industry's hopes of resuming fishing in Icelandic waters suffered a major setback here to-day when Mr. Finn Gundelach, the Brussels Commissioner for External Relations, confirmed that his four days of negotiations with the Iceland Government had ended inconclusively.

The hoped for unilateral statement from the Iceland authorities allowing a limited amount of fishing from January 1—pending conclusion of a fully-fledged reciprocal fishing agreement with the Community—was not forthcoming.

The news was conveyed to the EEC Council of Ministers as they began negotiations here this evening to try to agree an interim Community fisheries regime from January 1, when the Nine's 200-mile fishing limits take effect.

The discussions ran into difficulties, with the Commission, in its revised interim regime plan, being accused of favouring Britain and Ireland, whose ban on factory ships was described by the West Germans as "totally unacceptable."

It undoubtedly made their task more difficult by giving less room to manoeuvre on the British and Irish claims for special treatment for their fishing industries. The chances of the U.K. and Irish Governments introducing their own national fishing control and conservation regimes next year were felt by many to have correspondingly increased.

While Iceland did not totally reject the possible resumption of British fishing, Iceland's chief negotiator, Mr. Thomas Thomasson, her ambassador to the EEC (and Nato) made clear that nothing would be said before January. In the circumstances, there was no unilateral offer of access to EEC waters for Icelandic boats.

Perspective

An obviously disappointed Mr. Gundelach describes the outcome of the talks as "not good enough and a matter of great concern." Iceland stood out as an "unfortunate example" among the non-EEC countries with whom the Community is engaged in negotiations on reciprocal fishing agreements, he said.

The Commissioner reiterated that he had constantly emphasised in the negotiations that the fishing problem had to be viewed within the perspective of the general commercial and economic relationship between the Community and Iceland.

An agreement based simply on fish could not be fully reciprocal. But Mr. Gundelach stressed he had not so far called into question the preferential tariffs which Iceland now enjoys on its fish exports to the EEC. "I do not believe in negotiating with threats," he said.

On the other hand, the failure of the Icelandic authorities "to start the relationship with the Community in more helpful circumstances is not going to be passed over lightly," he declared.

Mr. Austin Laing, director general of the British Fishing Federation, described the news as "another black day in a black period." It represented the end of a road in which British fishing off Iceland had been cut back from an average 176,000 tonnes a year before 1972, to 130,000 tonnes under the 1973-75 agreement, and 60,000 tonnes under the last bilateral short-term agreement.

About 60 trawlers employing about 1,500 men were now without any obvious fishing grounds and he thought total of up to 10,000 jobs in Humberside and Fleetwood were at risk. "There will be considerable social and economic distress in these areas," he said.

Simonet presents plan to curb some steel sales

BY DAVID BUCHAN · BRUSSELS, Dec. 20.

THE BRUSSELS Commission to-day unveiled its long-awaited plan to restore the European steel industry to a healthier state. The plan is intended to improve the industry's present poor profitability and raise steel prices by restricting sales within the EEC for the first part of next year on certain finished products heavily in surplus.

Hinting that if this voluntary plan did not work, the Commission might attempt compulsory measures later next year, M. Henri Simonet, the EEC Commissioner for steel policy, set out some of the details in Brussels to-day. Some 30 letters would be sent out this week to steel companies or groups of companies giving them target reductions for January to April next year. The British Steel Corporation and the British Independent Steel Producers Association (on behalf of seven of its members) will each be given targets.

Extended

The Simonet plan had been envisaged for only the first three months of next year. But the full Commission decided this morning to extend it by a month to give it a little longer to show results. If the plan works it may be extended further.

The voluntary sales quotas cover only six products—beams and sections, reinforcing bars, other merchant bars, wire rods, heavy and medium plate, and cold rolled sheets—and are essentially voluntary. Companies are legally free to disregard the quotas or targets the commission sends them.

The targets have been much discussed with the companies, and the cuts look larger than they will be in practice, because they have been calculated on a base period of early 1974 and production has come down in almost all countries since then.

This is not quite the case in the U.K., which is why cuts the British companies are being asked to make are smaller than for every country except Italy. The Germans, who along with the Benelux countries are being asked to make the biggest cuts, have in recent weeks complained loudly about this. But the price for German agreement to the Simonet plan was finally paid this morning when the Commission authorised the two rationalisation groups into which the bulk of German steel is organised. The Germans had been wanting this authorisation —which is separate from the Simonet plan—for some months now.

But M. Simonet warned to-day that if there was any widespread flouting of the Commission's targets—which he emphasised were open to adjustment for companies with special problems—the Commission might then resort to the "manifest crisis" mechanism. Under the European Coal and Steel Treaty this provides for compulsory quotas and fines for disobedience. But it needs approval from the Council of Ministers and when the French tried to invoke it last year, the proposal foundered on strong German opposition.

M. Simonet said his plan was made necessary by the steel industry's poor state. Few producers had more than a month's orders on their books. 25 to 40 per cent. of plant capacity was unused, and short-time work was rapidly rising. According to Commission estimates some 100,000 of a total of 750,000 EEC workforce are on short-time work this month. The Commissioner said this would be even worse without his measures.

Rejected

Preventing imports taking advantage of any sales restrictions within the EEC is obviously vital to the plan. M. Simonet said that he was hopeful that Spain could be persuaded to limit its exports to the EEC, along the lines of limitations the Japanese agreed to last month. Other talks are to be held shortly with Sweden and Brazil. But informed sources here said that last week's talks in Madrid between EEC and Spanish officials had achieved little. Spain is unwilling, partly for political reasons, to put any restraint on its steel industry largely located in the sensitive Basque and Catalan provinces.

M. Simonet rejected the idea that the U.S. had anything to fear from his plan, though he did concede that it might be worried that negotiations by the EEC to curb third-country steel imports might divert them info the U.S. market.

Foot divides Tribune Group with plea for loyalty

BY RICHARD EVANS, LOBBY EDITOR

THE TRIBUNE Group of Left-wing MPs was badly divided last night following an appeal for loyalty to the Government from Mr. Michael Foot, Labour deputy leader and the Left's flag-bearer in the Cabinet.

Some hard-core members of *the group insisted* that they would divide against the Government at the end of to-day's Commons debate on the Chancellor of the Exchequer's economic package, but others backed Mr. Foot's call for support at such a difficult time for the Government.

The Shadow Cabinet, although critical of public spending programmes chosen for the axe particularly defence, has decided to abstain on the procedural vote to adjourn the House, leaving the field open for Labour MPs to quarrel amongst themselves.

Both Mr. Callaghan and Mr. Healey appealed *last week* for party loyalty to ensure the Government's survival until its economic strategy bore fruit, and Mr. Foot, a member of the Tribune Group, backed them up last night at a 90-minute meeting. A decision on tactics will be made by the MPs shortly before the division.

The indications are that some Left-wingers will remain determined to express their disgust at the £2.5bn. public spending cuts over two years announced by Mr. Healey last Wednesday. They will force a division but the move could rebound if only a small number of Tribunites rebel.

The nominal strength of the group is between 70 and 80 and 51 voted against the Government last week in a ritual attempt to halve the Army Supply Estimates. If fewer than 30 oppose Mr. Healey's package it will show how divided the group is.

Even hard-line Left-wingers acknowledge that they have no choice but to support Mr. Callaghan's administration if it comes under danger from the Conservatives and the combined Opposition parties in a vote of confidence.

The Tribune Group has condemned Mr. Healey's economic statement as "appalling," saying that the package bears no resemblence to Labour's priorities and policies. An amendment along these lines was tabled last night although it is unlikely to be called by the Speaker.

The amendment underlines the Left's special anxiety about cuts which affect the construction industry and the homeless as well as "particular disgust at the shabby cuts in overseas aid."

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Another bread delivery boycott

By Elinor Goodman, Consumer Affairs Correspondent

BREAD delivery men in London and the South East are to refuse to deliver to shops selling bread at less than 18p a loaf from midnight to-night.

This is the second 24-hour unofficial boycott to be carried out by 2,500 members of the United Road Transport Union in the past four days.

It has been condemned by union officials, who are to meet Mr. Roy Hattersley, Prices Secretary, to-morrow to discuss the whole situation as the actions of an "undemocratic minority."

But it means that some supermarkets may have to raise their prices by 1p or more a loaf if they are to have enough bread to sell to-morrow.

The organisers of he boycott have said they will lift the ban on Thursday to avoid inconveniencing shoppers over Christmas.

The ban is a further protest at the Government's decision to lift the present statutory limit of 22½ per cent. on the discounts the bakers can give their retail customers from January 4.

Militants

The lifting of the discount ceiling was attacked last week by both baking unions and the management, who feared that it would lead to a price wa r which could seriously damage the industry.

But the likelihood of a price war seemed to have been averted when the three biggest bakery groups—Spillers-French, RHM and Associated British Foods—said they would not raise their discounts significantly above the present limit, however hard they were pressed to do so by the supermarkets.

Leaders of the United Road Transport Union warned that they would recommend their members to boycott supermarkets which were cutting the price by more than 4p in the New Year.

But the militants in the South East have said they will not deliver to shops cutting the price by more than 2p.

Price cuts of 2p off the present maximum price of 20p are common under the present discount arrangements, and are likely to continue to be so after January 4, even if the bakers do not give bigger discounts.

Last night, Sainsburys, which is at p resent s elling its own-label bread at 17½p as well as branded breads at over 18p a loaf, said it would not raise the price of its own-brand loaves.

Bread down by 8½p promise denied, Page 12

Rabin to seek early general election

BY L. DANIEL · JERUSALEM, Dec. 20.

MR. YITZHAK RABIN, the Israeli Prime Minister, tolds the Knesset to-day that he intends to seek an early general election. It is expected that the country will go to the polls in May.

With the incoming U.S. Administration of Mr. Jimmy Carter showing every sign of willingness to respond to growing Arab pressure for a Middle East peace settlement next year, political developments in Israel over thet next few months could hav a crucial effect on events in the while region.

But to-night, it was not clear what M. Rabin's next move would be.

By expelling the National Religious Party from his coalition Government over the week-end, Mr. Rabin has left himself with only 57 Parliamentary seats in the 120-seat Knesset.

To-morrow, he faces a vote of no confidence in the Knesset tabled by the Right-wing Likud Opposition.

Mr. Rabin can either resign before the debate begins, or hope to survive the no-confidence motion and resign later at a date of his own choosing.

Factions

To-night, all political parties and factions were discussing what action they should take in to-morrow's debate. Despite the Rabin's Government's minority position, it is by no means a foregone conclusion that it will be defeated.

The Likud can muster 39 votes of its own and is likely to be supported by the National Religious Party with 10 votes and the Torah Religious Front with another five.

But Labour Ministers were to-night trying to ascertain whether the Rabin Administration could count on the support of a handful of other parties and factions whose positions are not so clear-cut.

They may calculate that by postponing a general election—if only by a matter of weeks—they will give themselves more time to prepare for it.

Whether or not he resigns before to-morrow's debate, Mr. Rabin's general strategy is fairly clear. After his resignation, the Knesset will be asked to vote on a law calling for early elections (the next elections are not officially due until November next year).

Since almost all parties want an early election, there should be no difficulty in passing such a law, and the election would be held 100 days later. In practical terms, this suggests that the election would take place in May.

After the resignation of a prime minister, the President has to appoint someone—not necessarily the outgoing Prime Minister—to form a transitional Administration.

In practice, the choice depends heavily on the balance of forces within the Knesset.

The differences of opinion which have prevailed between Mr. Rabin and Mr. Shimon Peres, his Defence Minister, are widely known, but the Prime Minister has also alienated other elements in the party, particularly the younger members.

It is therefore possible that a neutral figure such as former Foreign Minister Aba Eban or Justice Minister Haim Zadok may be put forward to head the transitional Government.

Vigorous

Should nobody—including Mr. Rabin—succeed in forming a Government with a majority in the House, Mr. Rabin would then be asked to continue in office with a caretaker Government which would be immune from votes of no confidence.

Thus, Mr. Rabin's action in expelling the NRP for abstaining in last week's vote on a religious issue represents a last throw to retain the Premiership.

Mr. Rabin apparently acted as he did in order to catch his opponents, both inside and outside Labour, unprepared.

He may also have decided that the only way to improve his image, till now that of an indecisive leader, was to make a vigorous decision.

In particular, he may have decided that he could no longer vacillate on the question of the establishment of a Jewish settlement by religious fanatics at Kaddoum on the West aBnk.

The government does not recognise the settlement but has so far tolerated it in order to avoid clashing with the NRP.

Mr. Rabin appears to have sensed a strong desire throughout Israel for a radically different style of leadership, and hopes to provide it himself.

He may also calculate that during the period of transition or caretaker Government he would have a freer hand to work towards a Middle East settlement with the U.S. Government, and present himself as a convincing negotiator to the electorate.

Pledged

The Government is anyway pledged to go to the country before making any major strategic withdrawals, such as from the West Bank.

The feeling in Israel to-night was that while the Prime Minister's gamble had some chance of success, he may have already been condemned by the high rate of inflation and the political confusion which has characterised the two-and-a-half years of his leadership.

LOMBARD

Intervention in France

BY ROBERT MAUTHNER

FOR ALL INTENTS and purposes, France is already in the thick of an election campaign, though the general election is still some 15 months ahead. And, as usual, both the political and economic issues are being presented to the public in a grossly over-simplified form, in spite of the vain attempts of all the political parties to appeal to a wide cross-section of opinion. The voters, or so many politicians, particularly on the right, would have us believe, are faced with the stark choice between free enterprise and collectivism, between a liberal society in which the Government interferes as little as possible in the private sector and an all-encroaching state whose tentacles will progressively strangle private enterprise.

No-one, of course, would deny that there are some very fundamental differences between the programme of the left, which foresees the nationalisation of most of France's major companies and that of the present coalition parties which support a capitalist system. What is not fully realised, however, is the increasing extent to which the present Government, theoretically the proponent of an advanced liberal society, is already interfering in the private sector.

Imposed

Though dirigisme has always been an important force in French economic life, the Government has never intervened as often or as directly in industry as during the 30-month period since President Giscard d'Estaing's election.

In many cases, no doubt, the economic crisis forced it to take action to prevent major French companies from going out of existence and to keep rapidly rising unemployment within manageable proportions. But Government intervention has only in rare instances been confined to financial aid only. On most occasions, it has taken the opportunity of imposing a solution which, though tailored to France's overall industrial strategy, did not always meet with the approval of the private interests involved.

The examples are legion. When the authorities were called into find a solutiyon to the serious financial difficulties of the Citroen motor-car company, a reluctant Peugeot was persuaded to take over its rival in return for substantial Government loans. At the same time, however, Citroen's lorry subsidiary, Berliet, was hived off to form a joint company with Saviem the state-owned Renault's truck subsidiary, against the original wishes of both M. Francois Michelin, who controlled Citroen, and the Peugeot chairman, M. Francois Gautier. The aim of strengthening the French lorry industry, which has been doing noticeably less well than the motor-car sector, was no doubt perfectly acceptable from the point of view of national interest. But the fact remains that it was a state imposed solution.

In the computer field, it was the Government which obliged the ailing French CII company to link up with Honeywell-Bull, thus allowing the French to take advantage of advanced American technology while maintaining financial control, in spite of the opposition of many in the industry and even in the civil service who favoured a European solution within the Unidata Group.

The Government has also played a leading role in the restructuring of the nuclear industry, with the State Atomic Energy Commission taking a substantial stake in the capital of the Creusot-Loire nuclear subsidiary, Framatome, and in the reorganisation of the telephone industry. It virtually obliged ITT and the Swedish Ericsson company to sell their subsidiaries in France to the French Thomson Group in return for massive Government orders for their new telephone exchanges.

Shrinking

Indeed, the list of major industrial sectors in which the state is not present in one form or another, or has exercised an overriding influence, is shrinking rapidly. And there is more to come in the near future. The crisis-ridden steel industry, which is already so heavily dependent on Government financial aid that it cannot in all honesty be classified any longer as part of the private sector, is more than ripe for a Government restructuring plan.

While it is true that the authorities still shy away from taking major financial stakes in private companies and that their main aim is to create French industrial groups powerful enough to withstand international competition and to keep France in the vanguard of technological progress, it may well be asked whether the present trend towards more and more Government intervention can be halted in mid-stream.

For the moment, the distinction between President Giscard's liberal interventionism and the left's programme of nationalisations is being maintained, but the dividing line is much thinner than is often claimed.

RACING — BY DOMINIC WIGAN

Fair chance to score treble for trainer-jockey team

PROVIDED that conditions have not deteriorated overnight, racing should be possible at both Folkestone and Warwick to-day. The southern track reports heavy ground on the hurdles course with the chase course riding first; while at Warwick, where it is a Racegoers Club Concession day programme, the going is extremely testing.

Two men who will be particularly keen for the go-ahead to be given for Folkestone are the Bury St. Edmund's trainer David Morley and his jockey Bob Davies, who six years ago to-day married Terry Biddlecombe's sister, Susan.

They hold better than fair prospects of a treble through Scort, Near and Far and Hot Hand.

The first from this trio to take the field is the lightly raced Scort, among the runners for the opener, Division One of the Hawkinge Novices' Hurdle (12.45).

Unplaced at Newbury seven weeks ago on his seasonal debut, where he faded right out of contention after only a mile in a division of the Wood Speen Novices' Hurdle. Scort left that form well behind at Nottingham recently—making short work of Esprit and Clifford Street.

Although the runner-up has since let the form down with a disappointing display at Warwick, where he could only manage eighth place behind Rathdaniel in a field of 20, I shall not oppose Scort, who is on the upgrade.

FOLKESTONE

12.45—Scort*
1.15—Easy Action
1.45—Near and Far***
2.15—Aztec Star**
2.45—Miss Worden
3.15—Hot Hand

WARWICK

12.30—Bagdad Gold
1.00—Village Slave
1.30—Alamein
2.00—The Pilgarlic

Near and Far, a chesnut Crepello gelding who won at Fontwell and Lingfield last term, is always at his best on a yielding surface, and it came as no surprise when he struck winning form in the Fakenham mud 10 days ago.

Clear of his four opponents—Straight Fair, Ormonde Tudor, Mexican Frolic and Yog three fences from home on the Norfolk course, Near and Far came home at his leisure, beating Straight Fair, to whom he was conceding 4 lbs., by seven lengths, with the remaining trio well split up.

I expect to see Near and Far follow up at the chief expense of the likely favourite, Top Priority, who has yet to find his best form this season.

Hot Hand, Morley's third and last runner here, will not find matters all his own way in the Second Division of the Hawkinge Novices' Hurdle, for Genovese and Viking Spirit are among his 16 opponents. Nevertheless he has shown enough on his two previous efforts over the minor obstacles to suggest that this event could well be within his compass.

The reigning champion hurdler, Night Nurse, who was deprived of a run at Ascot on Saturday, will be out over the Christmas holiday. The North's champion goes for either the William Hill Christmas Hurdle on Boxing Day at Kempton or Windsor's New Year's Day Hurdle.

If Night Nurse goes to Kempton he will again meet Birds Nest, who proved much too good for him in the fighting fifth hurdle at Newcastle towards the end of last month.

Blasphemy case to be heard at Old Bailey

MRS. MARY Whitehouse yesterday took a legal short-cut in her prosecution of the homosexual newspaper Gay News for alleged blasphemy.

At a private hearing in the High Court, Mrs. Whitehouse was given leave to take the case straight to the Old Bailey—by-passing the normal committal proceedings before a magistrate.

Gay News was not present at the hearing and, in a statement issued later, said it had not been entitled to attend.

Mrs. Whitehouse's solicitors stated that Mr. Justice Bristow had "directed that a voluntary bill of indictment be preferred against Gay News and Denis Lemon—its editor—at the Central Criminal Court."

Gay News said Mrs. Whitehouse had dropped her claim against the newspaper's distributors, Moore-Harness. "We are astonished at the method she is now using to prosecute Gay News and Denis Lemon," Gay News added.

On December 9, Mr. Justice Bristow, at a private hearing, gave Mrs. Whitehouse, chairman of the National Listeners' and Viewers' Association, leave to bring a prosecution over a poem published in the magazine earlier this year.

The poem was written by the poet and man of letters Professor James Kirkup.

Asked yesterday why she had not included Professor Kirkup as a defendant in her prosecution, Mrs. Whitehouse said: "My position on censorship has always been that what a person writes is his own business. One's concern arises at the point of publication."

She understood that the case was unlikely to come for trial before next summer.

Exchange control summonses

SUMMONSES have been served on three men for alleged breaches of the Exchange Control Act 1947 over large-scale deals in Spanish property.

The summonses, it was disclosed yesterday were served by Scotland Yard officers who have been making investigations for some months.

It is likely to be alleged that as much as £1m. may have been transferred out of Britain illicitly for the purchase of land or apartments at several popular Spanish holiday centres.

This would involve large-scale evasions of the dollar premium regulations. Details of the men who have been summoned have not been disclosed.

OBITUARY

G. D. A. KLIJNSTRA

MR. GERRIT KLIJNSTRA, ex-chairman of Unilever, the Dutch arm of the Anglo-Dutch multinational and a director of ICI, has died at the age of 64.

Before his retirement in 1974, he had served on the Board of Unilever for 20 years, the last four as chairman of the Dutch side and a member of the three-man team which guides the company.

After attending Delft College of Technology he joined Unilever in 1938 as a Chemical Engineer. In 1946 he was given the job of rebuilding Unilever's factories in the Netherlands East Indies and four years later was made technical director in Germany.

In 1954 he arrived in the London head office to join the small group responsible for the whole of Unilever's non-European businesses and a year later was elected to the Boards of Unilever Ltd. and Unilever N.V.

His contribution to the Netherlands was recognised when he was created an Officer and subsequently Commander in the Order of Orange Nassau and made a Knight of the Netherlands Lion. He was also an honorary Knight of the British Empire.

FILM AND VIDEO — BY JOHN CHITTOCK

Short, but vital

EVER SINCE television started to dominate the leisure life of the public at large, the future of the cinema industry has become a major topic for controversy, discontent and confused arguments. This is inevitable, perhaps, in a shrinking industry in which investment can be suicidal yet rewards astronomical—as Marlon Brando might currently testify. But one of the most emotive subjects for the cinema business continues to be the short film—traditionally the visual wall-paper used as a background for ice cream sales, yielding for its maker probably less than the ice cream vendor earns, but providing for the industry a creative proving ground through which new talent may have its only chance of exposure.

The short film is again rousing comment in the industry, encouraged by the recent celebration of the 10th anniversary of the National Panel for Film Festivals. This government-supported body selects short films to represent Britain at overseas film festivals—an important cultural, diplomatic and trade function. Inevitably the panel has been concerned about the poor deal that the short film suffers in Britain, and is hopeful that this matter will receive attention when the new British Film Authority is established.

A view has been expressed in the weekly trade paper, *Screen International*, that sponsored films are killing the film industry. This extremist and happily untypical view stems from the success that many such films are having in cinema release, especially recently now that the double feature bill has made way for the longer single feature—creating more demand for short fillers.

Entertainment

Cinema distributors will not take on sponsored films that have an unacceptable or commercial product line, and production standards must be high—although a few bad films are still slipping through. Once accepted by a distributor, a sponsored film can reach 3m. to 4m. viewers on a fairly average U.K. release; and, because it is accepted wholly for its entertainment value, it will earn for its sponsor some revenue—perhaps £2,000 to £3,000, and, very exceptionally, even enough to recover the production costs.

For the film-makers and the talents trying to burst into feature films, this is an unrivalled opportunity—the sponsor is taking the financial risks, the film-makers are provided with a stable source of employment and the creative people reach a large audience on the big screen. Some of the films are bland, even dull, but a significant number are exceptionally good viewing—such as the Rugby Football Union's film *William Webb Ellis Are You Mad?* the Irish Tourist Board's *Green For Ireland* (which since 1967 has reached 18m. viewers theatrically, world-wide), BP's *Sea Area Forties*, and currently the outstanding British Railways Board film *Locomotion*—now screening at the Leicester Square Theatre.

Such discontent as there is, springs from the plight of the independent short film-maker, concerned either with fictional subjects or important social or cultural themes. Unless this enthusiastic (there is no other word to describe these latter-day artists in garrets) receives a British Film Institute or Arts Council grant, his speculative efforts must be financed by himself—and his return, if he is lucky, will barely cover the cost of the prints. In consequence, few independently produced short films leak into cinema release.

An example of the excellence occasionally denied the cinema public can be seen on BBC television over Christmas—Graham Baker's *Leaving Lily*, an evocative short film about a Norfolk village during World War One. But the hard truth is that television is making this kind of film quite frequently now, and the cinemagoing public is largely indifferent about short films—it's the main feature that has encouraged them to desert their firesides. In consequence, it is a buyer's market and sponsorship seems the only way of keeping it alive and providing better production budgets than the economics of the situation would otherwise justify.

That is not to say that the revenue received for a short film is a fair reflection of its contribution to the cinema programme. The booking fee for a 35 mm. short may be a mere £2 to £3 per cinema per week, less than the hire charge of a 16 mm. short that the family may book to screen at home over Christmas. British shorts will also qualify for Eady money, which is a percentage of the box office take (originally devised in a funding scheme to help the producers). But not all Eady money is finding its way back to the producers, and the revenue earned by a short is heavily dependent on negotiating skills and the luck of the draw with the feature film it accompanies on distribution. The Post Office's film about stamps, *After the Arrow*, had a West End release with *The Tales of Beatrice Potter* and a general release with *Get Carter*. Esso's film for the Trawler Owner's Association played with *The Sting*, as did the City of London film *Capital City* in some areas.

Exposure

The revenue from such distribution of sponsored films goes back to the investor, which seems reasonable. Yet since the plight of the short film industry is so great—it is the most under-subsidised major art form in Britain—sponsors would probably yield to pressure to plough this revenue back into independent short film production. For sponsors, exposure is more important than revenue and I suspect that they would accede to the argument that they can't have it both ways.

A few sponsors are now also putting finance into cinema films without any involvement in the content of the film, but as acts of genuine patronage. Producer James Archibald, an ex-Rank production chief, has specialised in this activity—bringing together consortia of industrial sponsors to underwrite fictional and cultural films which may ultimately yield a profit for an appropriate charity. His feature film *Some People* has grossed £165,000 for the Duke of Edinburgh Award Scheme, and his outstanding documentary for the National Music Council—titled *Music*—would never have been possible without patronage of this kind.

Sponsorship and patronage have ensured the development and the health of the British short film, which now enjoys an unrivalled international reputation. Far from being a threat to the film industry, sponsorship is a life-raft in a sea of economic troubles. In return, the cinema offers industry a real opportunity to demonstrate its social awareness—a chance to present the acceptable face of capitalism.

TV/Radio

† Indicates programme in black and white.

BBC 1

10.20 a.m. The Wombles. 10.25 The Great Grape Ape Show. 10.50 Wild Wild World. †10.55 Flash Gordon. †11.30 "Tarzan Triumphs," starring Johnny Weissmuller. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Mary, Mungo and Midge. †2.00 "When Comedy Was King." 3.20 Fo A Fe. 3.53 Regional News (except London). 3.55 Play School. 4.20 Huckleberry Hound. 4.25 Jackanory. 4.40 Animal Magic. 5.00 John Craven's Newsround. 5.15 Charlie Brown.

5.40 News.
5.55 Reporting England.
6.20 Nationwide.
6.45 Superstars.
7.55 "Hondo," starring John Wayne.
9.15 Mastermind.
9.45 News.
10.10 "East Lynne," adapted from the novel by Mrs. Henry Wood.
11.10 My Children, My Children.
12.10 a.m. Weather / Regional News.

All regions as BBC 1 except at the following times:

Wales—5.55-6.20 p.m. Wales To-day. 6.45-7.00 Heddiw. 7.00 Campus! 7.25-7.55 Cawl a Chan. 12.10 a.m. News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 12.10 a.m. News and Weather for Scotland.

Northern Ireland—3.53-3.55 p.m. Northern Ireland News. 5.55-6.20 Scene Around Six. 12.10 a.m. News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Look East (Norwich); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth).

BBC 2

11.00 a.m. Play School.
7.00 p.m. News on 2 Headlines.
7.05 Zarabanda.
7.20 News on 2.
7.35 In Deepest Britain.
8.15 The Old Grey Whistle Test.
9.15 "Frankenstein: The True Story." starring James Mason, David McCallum and Michael Sarrazin.
12.05 a.m. News Headlines.
12.10 Closedown: Paul Scofield reads "The Burning Babe," by Robert Southwell.

LONDON

9.30 a.m. Felix The Cat. 9.40 Cause For A King. †10.30 Meet Shirley Temple in: "The Little Princess." 12.00 Issi Noho. 12.10 p.m. Pipkins. 12.30 Making Things Do. 1.00 News plus FT index. 1.20 To-day's Post. 1.30 The Cedar Tree. 2.00 Good Afternoon. 2.25 Sam. 3.20 Looks Familiar. 3.50 Emmerdale Farm. 4.20 The Arrows. 4.45 Magpie. 5.15 Batman.

5.45 News.
6.00 To-day.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 The New Avengers.
9.00 Dickens of London.
10.00 News.
10.30 Fort Augustus.
11.30 Police Story.
12.25 a.m. Christmas Pie.

All ITV regions as London except at the following times:

ANGLIA

9.30 a.m. Feature Film, "Miracle in The Rain," starring Jane Wyman. 11.10 It's All About Panto. 1.55 The Woozies. 1.25 p.m. Anglia News. 2.00 House party. 5.15 The Muppet Show. 6.00 About Anglia including Police Call. 11.30 Angling To-day. 12.00 Night Gallery. 12.30 a.m. A Christmas Anthology.

ATV MIDLANDS

10.05 a.m. Rules of The Game. 10.30 "Zebra in The Kitchen." 1.20 p.m. ATV Newsdesk. 5.15 ATV Today (Part I). 6.00 ATV Today (Part II). 7.00 Cartoon Time. 7.15 The Tuesday Movie: "That Riviera Touch," starring Eric Morecambe and Ernie Wise. 11.30 Angling Today. 12.05 Close Down.

BORDER

9.45 a.m. Hammy Hamster's Adventures on The River Bank. 9.55 Beachcombers. 10.20 Tarzan. 11.10 It's All About Pantomime. 11.55 The Woozies. 1.20 p.m. Border News. 2.00 Houseparty. 5.15 Out Of Town. 6.00 Border News and Lookaround. 7.00 The Sound of Scarlet Jade. 7.15 Mystery Movie: McCoy. 11.30 George Hamilton IV. †11.57 Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.15 The Woody Woodpecker Show. 6.00 Report at Six. 7.00 Cartoontime. 7.10 The Tuesday Movie "The Mask of Sheba." †11.25 Commentaires et Previsions Meteorologiques.

GRAMPIAN

10.10 a.m. Bold as Brass. 11.10 It's All About Panto. 11.55 The Woozies. 1.20 p.m. Grampian News Headlines. 5.15 Breaktime. 6.00 Grampian Today. 6.05 Country Focus. 7.00 The Tuesday Film: "The Glass Bottom Boat." 11.30 The Protectors. 12.00 Evening Prayers.

GRANADA

9.30 a.m. Untamed World. 9.55 The Beatles. 10.10 Holiday Matinee: "The Sheriff of Fractured Jaw," starring Kenneth More, Jayne Mansfield. 11.45 Baldmoney, Sneezewort, Dodder and Cloudberry. 1.20 p.m. Take Kerr. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. 6.35 The Beverley Hillbillies. 7.05 The Tuesday Film "Zeppelin," starring Michael York and Elke Sommer. 11.30 Movin' On.

HTV

9.30 a.m. Hammy Hamster's Adventures On The River Bank. †10.00 Heidi, starring Shirley Temple. 11.10 It's All About Pantomime. 11.55 The Woozies. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.15 Breaktime 5. 5.20 Crossroads. 6.00 Report West. 6.18 Report Wales. 6.35 Mr. and Mrs. 7.05 The Tuesday Western: "Destroy," starring Audie Murphy. 11.30 Phyllis.

HTV Cymru/Wales — As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion Y Dydd. 4.20 Miri Mawr. 4.35-4.45 Wsbethma? 6.00-6.18 Y Dydd. 10.30 Dan Sylw. 11.15 O'r Wasg. 11.35-12.05 a.m. The Little and Large "Telly-show."

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

10.00 a.m. Huckleberry Finn. 11.10 It's All About Panto. 11.55 The Woozies. 1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.15 Cailmore. 5.20 Crossroads. 6.00 Scotland To-day. 6.30 Battle of the Comics. 7.00 Write to Isabel. 7.30 Mystery Movie: Columbo. 11.30 The Late Call. 11.35 The Streets of San Francisco.

SOUTHERN

9.55 a.m. Baldmoney, Sneezwort, Dodder and Cloudberry. 10.05 "Huckleberry Finn." 11.20 It's All About Panto. 11.55 The Woozies. 1.20 p.m. Southern News. 2.00 Houseparty. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day including Southsport. 7.00 "Sergeant Ryker," starring Lee Marvin and Bradford Dillman. 8.30 Yes My Dear. 11.30 Oscar Peterson Presents. 12.00 Southern News Extra.

TYNE TEES

10.20 a.m. Starting Point. 10.25 Ed Allen Time. 10.50 Popeye and Sonny. 11.00 Christmas Carols. 11.10 It's All About Pantomime. 11.55 The Woozies. 1.20 p.m. North East News and Lookaround. 6.00 Northern Life. 7.00 Cartoon Time. 7.15 McCoy. 11.30 Police Surgeon. 12.00 Epilogue.

ULSTER

10.30 a.m. Animated Classics. 11.20 It's All About Pantomime. 11.55 The Woozies. 1.20 p.m. Ulster's News Headlines followed by Lunchtime. 2.00 Houseparty. 3.45 Ulster News Headlines. 5.15 Breaktime. 6.00 UTV Reports. †7.00 Tuesday Movie: "A Tale of Two Cities," starring Dirk Bogarde. 11.30 Angling Today. 12.00 Tuesday Night with The Rev. H. Uprichard, Rector of Drumbeg.

WESTWARD

9.50 a.m. A Card for Christmas. 9.55 Skippy. 10.20 The New Seekers. 11.10 It's All About Pantomime. 11.55 The Woozies. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 The Woody Woodpecker Show. 6.00 Westward Diary. 7.00 Cartoon Time. 7.10 The Tuesday Movie: "The Mask of Sheba." 11.27 Westward Late News. 11.30 A Card For Christmas.

YORKSHIRE

10.00 a.m. Christmas Carols. 10.10 Hammy Hamster's Adventures on the Riverbank. 10.20 Kenny Rogers and the First Edition. 11.10 Tarzan. 1.20 p.m. Calendar News. 5.15 Harriet. 6.00 Christmas Calendar (Emley Moor and Belmont editions). 7.00 Cartoon Time. 7.15 McCoy. 11.30 Police Surgeon. 11.55 Christmas Carols.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn including the Top 100 Favourite Oldies. 12.00 Paul Burnett: new Top 30 discs, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.05 Newsbeat. 6.02 John Dunn (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 7.10 and 8.10 Cricket First Test, India v. England (report). 8.27 Racing Bulletin 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 9.40 Cricket. 10.30 Waggoners' Walk. 11.30 Jimmy Young (S) including 11.40 Cricket. 1.30 Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1500m. only (also 202m. Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.05 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Robin Richmond: The Organist Entertains (S). 8.02 Ragtime to Rock 'n' Roll. 9.02 Among Your Souvenirs (S). 10.02 Sports Desk. 10.05 BBC Radio Orchestra (S). 11.02 Ruth Cubbin with The Late Show (1500m. only, also 202m. Scotland, VHF joins Radio 1). 12.0-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Telemann (S). 9.50 Vienna Philharmonic Orchestra (S). 10.25 Scottish University Concert part 1 (S). 11.10 In Short (talk). 11.20 Concert part 2 (S). 12.05 p.m. Cardiff Mid-day Prom., part 1: Barnes, Sibelius. 1.00 News. 1.05 The Arts Worldwide. 1.20 Cardiff Mid-day Prom, part 2: Honegger. 1.05 Schumann's Piano Music (S). 2.40 A Little Light Music (S). 3.25 New Music From Hungary by Suproni, Darkó (S). 4.15 Plainsong (S). 4.55 Jazz To-day (S). 5.25 Vocal Sounds (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Work and Training. 7.30 Beethoven part 1 (S). 8.30 Battle For The Slums by Ray Gosling. 8.50 Beethoven concert part 2 (S). 9.30 London Village. 10.05 Cries of London (S). 10.25 Music In Our Time (S). 11.25 News.

RADIO 4 — 434m, 330m, 285m and VHF

‡ Medium Wave Only

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer For The Day. 6.45 To-day. 7.00 News and more of To-day including Sports News, To-day's Papers, and 7.25 (VHF) Regional News. 7.45 Thought for the Day. 8.00 News and more of To-day including 8.35 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way goes on tour with the Welsh National Opera Company. 11.45 The Wit and Wisdom Of . . . Margaret Powell. 12.00 News. 12.02 p.m. You and Yours. 12.27 Top Of The Form. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen With Mother. 3.00 News. 3.05 The Aspern Papers by Henry James, part 1 (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 My Word! (S). 6.45 The Archers. 7.00 News. 7.05 The World In Focus. 7.30 Beethoven (S) (as Radio 3). 8.30 Battle For The Slums (as Radio 3). 8.50 Beethoven (S) part 2 (as Radio 3). 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book at Bedtime. 11.00 God Rest Ye Merry . . . 11.15 To-day in Parliament. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Tony Fish with Rush Hour. 9.00 News Extra. 9.20 Richard Vaughan with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Astley Jones with Home Run, including London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.50 All That Jazz. 10.03 Late Night London. 12.00 Close: as Radio 2.

London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "A.M.": breakfast-time show. 10.00 Brian Hayes; talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 8.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch: news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London To-day. 7.30 Adrian Love: Open Line. 9.00 Nicky Horne: Your Mother Wouldn't Like It. 11.00 Tony Myatt: The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,265

ACROSS

1 Relying entirely upon one politician with legal following (8)
5 One who outlines his plans (6)
9 Wherein patients may appear ill and heel over (4-4)
10 Little devil has the knack to communicate . . . (6)
12 . . . and the art to make a ship (5)
13 Outspoken row from the accuser (9)
14 Dwelled tediously on string instrument with two notes (6)
16 Concentrated in time (7)
19 Strip for departure (4-3)
21 I'm returning with anger but it's illusory (6)
23 Opens chit that could be about pronunciation (9)
25 Lions having soft journey (5)
26 Essential organs—the first of them in medicine bottles (6)
27 Reveal details of the ship's cargo (8)
28 A witty answer in the laboratory (6)
29 Depend upon coin accepted not long ago (8)

DOWN

1 Fly home to a party (6)
2 Choose a defender for a ride (9)
3 Allowed to follow in the entrance (5)
4 In a little drink I had it's tasteless . . . (7)
6 . . . but he thinks it could be strong spirit in a hill (9)
7 Fleece found on one mammal (5)
8 If I scolded outside it could be approved (8)
11 Dress seen in India's a riot! (4)
15 Correct outside measurement for a screw (9)
17 Careless making light dress with ends of net (9)
18 Check what's left for a break in the journey (4, 4)
20 Defeat force with lubricant (4)
21 Time after service for a rub-down (7)
22 Guard directed to railway (6)
24 Musical group requires a month with each teacher initially (5)
25 Load the best part first (5)

Solution to Puzzle No. 3,264

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. (01-836 3161.) ENGLISH NATIONAL OPERA Tonight 7.30 La Belle Helene; Tomor 7.30 A Night in Venice; Thur 7.30 La Traviata. No perfs Dec 24 to 28.

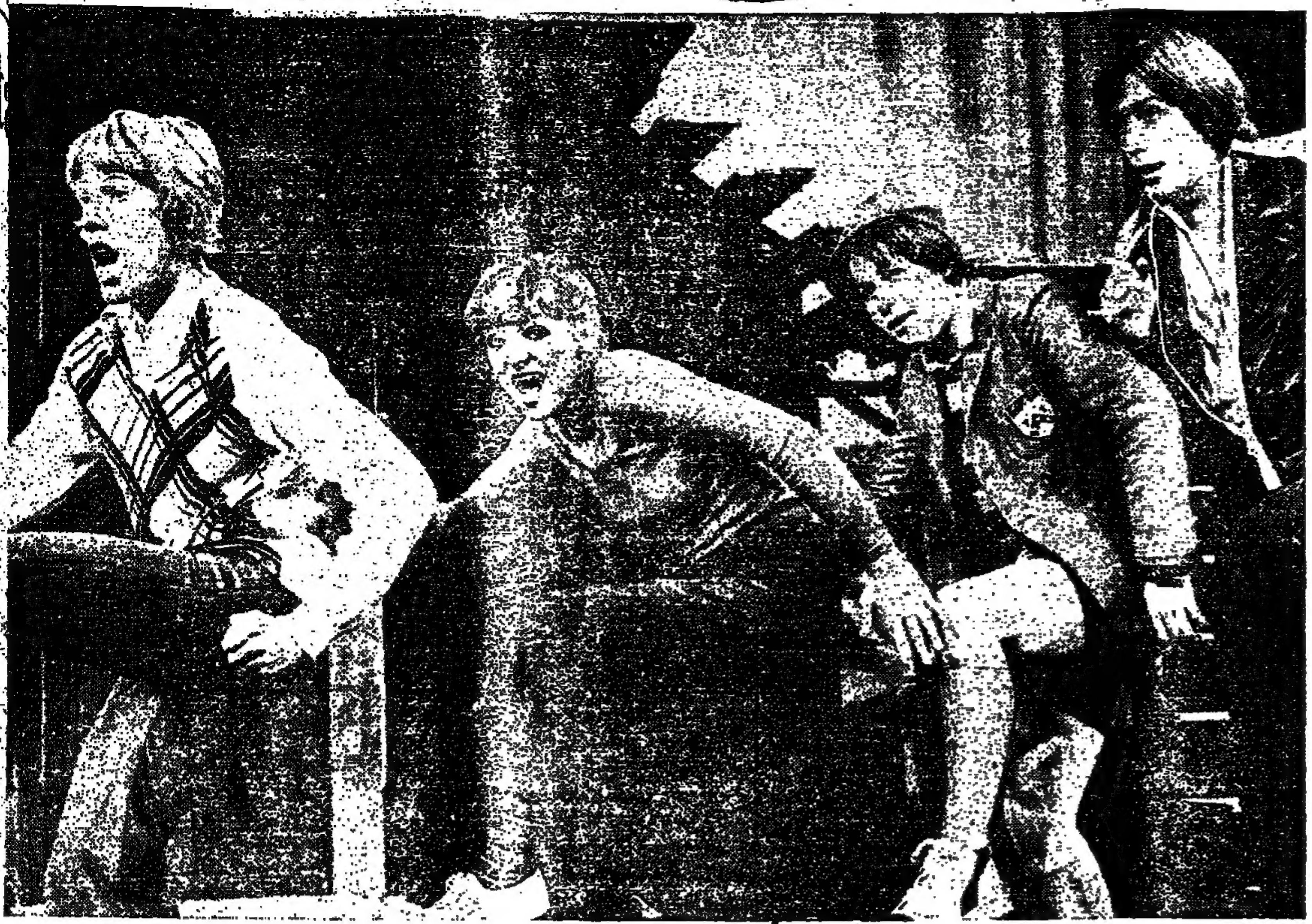
THEATRES

GARRICK THEATRE. 01-836 4601 Evgs. 8.0. Fri., Sat. and Dec. 27 6.0 and 8.40 (Friday, December 31 8.40 only) RICHARD BECKINSALE in "side-splittingly funny" (Daily Mail) in FUNNY PECULIAR

THEATRES

PICCADILLY. 437 4506. Mon. to Fri. 8.0. Sats. 5.30 and 8.30. Mats. Wed. 3.00. Jerome Kern's Hit Musical VERY GOOD EDDIE "LOVELY to look at, DELIGHTFUL to hear and HEAVEN to watch."

ENTERTAINMENT GUIDE IS CONTINUED ON PAGE 10



Philip Davis, Edwina Lawrie, Stuart Wilde and Ian Bartholomew in the rock musical 'Elidor' which opened last night at the Jeannetta Cochrane Theatre

Leonard Burt

The Maltings, Snape

Britten's Op 94

by GILLIAN WIDDICOMBE

At Snape on Sunday afternoon, despite mud, rough winds and driving rain, a large audience assembled to hear the Amadeus Quartet play the first performance of a work which Britten completed just over a year ago, before the deterioration of his heart condition. It is a string quartet of 30 minutes' duration: officially his third, following the Quartet in D of 1941, and the Quartet in C of 1945. (Unofficially, however, there are more. Britten recently allowed Faber to publish a lively quartet in D, written in 1931; and among the facts of his schoolboy precocity are at least six string quartets written *before* he went to Gresham's.) Bearing in mind the hours of pen-pushing required to furnish an orchestral score, it is not surprising that in 1975 Britten returned, after a gap of 30 years, to the eloquent concision of string quartet form.

Quartet No. 3 has a deliberate air of valediction. Just as the second quartet is related to *Peter Grimes*, so the third is based on material from *Death in Venice*, closing with a superb passacaglia titled "La Serenissima." However, it is not merely as though Britten found further instrumental possibilities in the thematic or harmonic material which still coloured his thinking; in the new quartet, he returned, for his conclusion, to another evocation of that same mood, with its tender, quiet resignation.

The passacaglia's economy is wonderful. Its frame is superficially marked by a ground on the cello, treading relentlessly on E and F sharp, and sinking at the sixth bar to D—the overall tonality. But the cantus is double, and meanwhile the first violin has started a flowing quaver version, anxious, expressive, and perfectly disciplined. Between these two themes the development is tightly sustained, in sleek contrapuntal writing both simple and fine. Whereas for the second quartet's conclusion, Britten wrote a set of 21 variations as a huge Purcellian chaconne, he no longer had such energy or ambition for the third quartet's conclusion. Instead, he wrote economically, and with prime inspiration.

It seems that Britten actually returned to Venice to complete the quartet; and the fact makes one wonder whether he originally designed the quartet as a five-movement work with this conclusion. Be that as it may, the four preceding movements are less substantial. The first is a six-minute essay in two-part counterpoint, generally moderate in tempo, concentrating on sustained, overlapping dialogue begun by the middle instruments. The dominant colouring is, as in the finale, the pressing tension of the interval of a second. Contrasting details are vivid but sparse, such as the brief addition of a chain of harmonics, or frantic demisemiquaver figurations.

The three central movements are short and diverting. First a fast ostinato scherzo, opposing loud ideas with soft ones reminiscent of Ravel's lissom timbre. Then follows a short, static slow movement, conceived as a solo for first violin over quiet, austere accompaniment. (An elusive movement this: neither aria nor elegy, but suggestive of a short poem in a language one does not understand.) To pass from one slow movement to the slow finale, Britten fills in with another scherzo, this one a burlesque written in stiff rhythmic style, offset by a tiny trio. An homage to Shostakovich, possibly.

Symmetry, clarity, and clever economy can all be found in this last work, in plenty. But it also contains those strange imaginative qualities of Britten's last works: the virtuosity is subtle; the invention, of great and sad beauty. When the Amadeus Quartet gave the première on Sunday, we felt the loss of the composer deeply. A comfort to know that shortly before Britten died, the Amadeus played this Quartet No. 3 to him, privately.

Festival Hall

Roméo et Juliette

by RONALD CRICHTON

The great dramatic symphony which Berlioz drew out of *Shakespeare's tragedy is still*, in the complete, full-length form with soloists and chorus, enough of a rarity to make every performance an event. Expectation runs high, and so does anxiety. A poor performance can dampen or retard appreciation of Berlioz in all but the wholly loyal and converted. Unfortunately, since *Roméo et Juliette* is not easy to bring off, expectation is sometimes cheated and anxiety partly justified. Sunday's performance by the London Philharmonic Choir and Orchestra with Barenboim conducting was no exception.

Or rather it was an exception only to the extent that the usual successes and failures were more or less reversed—in most performances the big set pieces often heard on their own (Romeo alone and the Capulet's ball, the love music and the Queen Mab scherzo) can be counted on to work more of their powerful and so varied magic than they did last night, while the vocal solos and choral narration, sometimes feebly performed, at others overemphasised in a brave attempt to prove that they are on the level of the rest, went, on the whole, convincingly.

There was a touch about them of this conductor's hot-from-the-oven improvisatorial manner, which suited the rhetorical bursts of Beethovenian instrumental recitative (except when tiny but not unimportant details were lost). The choral singing, in clear French, was vivid if not always tidy, the soloists were excellent. Helen Watts and Jules Bastin at either end of the work each imposed a kind of serene authority not always in evidence elsewhere. The tenor Jean Dupouy sang his *scherzetto* foretaste of Queen Mab with a lightness that saved it from appearing egregious in view of the later, fuller and far more remarkable orchestral portrait of the fairy.

To the big pieces Barenboim brought not so much a warmth as a hotness, that suggested a view of this Romantic's passion for Shakespeare which overlooked the fact that Berlioz was an equally ardent a classicist. The Capulet's ball was lively enough, but Romeo's soliloquy was tinged with self-pity. In the love music Barenboim made some horrid swerves into quicker tempo (evidently premeditated, since the same thing happened in the anticipation of this music in the Prologue). Queen Mab was deftly played, a fraction too hurriedly for the supernatural uncanny, glistening, frozen mother-of-pearl, tone-colours to cast their full, enchanting, slightly sinister spell.

Cultural centre for New York

Gulf-Western Industries, Inc. are to purchase the New York Cultural Centre in Columbus Circle (formerly the Gallery of Modern Art), and donate it to the city. A primary use of the *building will be to house the* main office of the Department of Cultural Affairs, and the Mayor's Commission on Cultural Affairs, and other public purposes to service the City of New York.

The nine-storey building was erected in 1964 and designed by Edward Durell Stone. In 1969 it became the New York Cultural Centre and operated with Fairleigh Dickinson University of New Jersey. The Centre has been closed since September 1975.

...n galleries

Exhibitions at Christmas

by WILLIAM PACKER

...ber is not so much a ... an awkward time for ...ns, especially so if you ... artist, your work not ...ot cakes, and this your ...ce in a couple of years. ... dealers too, like every... want to do well at ...s time. December, ..., and to no one's sur... the season of cheerful ...ise: on the one hand, some galleries persist, ...e fewer one-man shows ...an usual, and those in ...re confident, establish...nd of established and ...versial work: on the ...ere are many mixtures, ...ther *more adventurous* ...rs, but very few as quiet ...w-key stock exhibitions ...igh summer, designed ...o give the proprietors ...nce of a spot of sun... Peru, or Bahrein, or ... No: the Christmas ...e positive enterprises, ...r cash in this spend...son; and, if a little ski...e squeezed in later on, the better.

... shows are, in con... worth some attention, ...ntly much thought and ... goes into their arrang... reat variety of work is ... much of it remarkably ...t least by current ... Indeed, an effort is ... made to keep the work ... reach of the ordinary ...ok; and if this means ... on prints, drawings and ...orks, it also means that ...rtists may be presented ...iliar aspect: and the ... a bargain is ever...

... Flowers, in her gallery ...nd Mews, off D'Arblay ... continuing her "Small ...ul" sequence of shows. ... grown insensibly over ..., with drawings, col... paintings in turn, into ...ial treat, with one ...to sculpture. It is a natural, an inevitable choice of theme, which brings together a number of extraordinary and lovely things. Sculptors may think big, but they start small: the maquette is the natural exploratory mode, bringing to the work its own intrinsic qualities, that are dissipated in the image's translation. Some artists prefer the smaller scale in any case, others find it forced on them by the cost of materials: but whatever the cause, the results are fascinating. One corner of the gallery is shared by three artists, all of them markedly different in their sensibilities and pre-occupations. *Their work, however, makes* a most sympathetic and homogeneous group, and points the particular and unplannable virtue of this kind of show. William Pye, David King and Michael Kenny are certainly well-met.

One of the smallest pieces of all, and one of the simplest, is also one of the strongest, a tiny, enigmatic and strangely poetic tower by the late Hubert Dalwood. It is a nice tribute to an artist we could not afford to lose. The exhibition remains at Mrs. Flowers' until the end of the year, when it transfers to the Minories in Colchester for a further month.

Several other ideas are coming round again for the second time or more, but none the worse for that. Almost next door to Mrs. Flowers, on D'Arblay Street itself, the Thumb *Gallery* is again putting on "Growing up with Art," mostly prints but with a drawing or two. Art as Christmas presents for children is an attractive idea, and, with £10 the top price, eminently practicable. The show closes on *Christmas Eve*.

And across London, in Motcombe Street, Michael Parkin has assembled "Yet Even More Cats of Fame and Promise," an exhibition centred inevitably upon the peculiar vision of Louis Wain, whose work is nothing if not an acquired taste, but one nevertheless which claims many addicts. But there are many other cats on show, from the most unaffected study to the prettiest illustration, with which the afflicted may temper their craving, and in which the rest of us may take a great deal of pleasure. They remain on view until January 9.

The prize for the strangest peg from which to hang a show, however, must go to Zuleika Dobson of the Camden Arts Centre, whose exhibition entitled "Doors" is open until the end of January. Anything remotely to do with doors is admitted, works on doors, using doors, concerning the very idea of doors; and there is a section on the history of doors with examples culled from our national collections, and very beautiful they are. The show was even declared open, most charmingly and aptly, by Miss Diana Dors, to the delight of everyone present. I cannot go into the detail of the work, nor tell you how good the show is, for the simple reason that I am myself a contributor to it: but I hope you will all flock to see it. (It is closed during Christmas week.)

Not the strangest, but the best idea of all, occurred to Christian Neffe of J.P.L. Fine Arts, that lives below Lumley Cazalet in Davies Street. He decided to invite 54 British artists each to take the card that he nominated to them, that is to say one of the four suits and the two jokers, and to submit their version of that card, five inches by seven, to his exhibition. The response was all but complete, the results not only fascinating but great fun.

After Anthony Green's joker, the cards are hung in suit, and again we are able to enjoy the sight of strange bed-fellows getting on so well together. Diamonds are especially interesting, with Richard Smith, Stephen Buckley, Bill Jacklin and Robyn Denny taking us from nine to six, Prunella Clough and John Plumb the two and three, and Patrick Caulfield the King. But all the suits are strong: Paul Huxley, John Hoyland and Alan Davie are hearts, Allen Jones the Queen and Jack Smith the Ace of Clubs, Patrick Procktor the King of Spades. Light heartedly, the artists take their chance to define themselves, and there is considerable insight in the somewhat wry visual comments they make upon the work they do. The Deck of Cards remains on view until the end of January.

Other such shows, of which there are several, must wait until next time.

Hubert Dalwood: 'Small double tower'

New extension to Bedford museum

The Cecil Higgins Art Gallery, Bedford, opened its new extension on December 15. The cost of £263,000 has been met by the North Bedfordshire Borough Council: with substantial assistance from the Trustees.

The extension covers 10,000 square feet. Among the items on display are English and Continental ceramics and glass, English water-colours, jewellery, costumes, furniture and silver. Also on exhibition are some recent acquisitions, including the Handley-Read collection of Victorian and Edwardian arts, the St. Agnes tazza and a Sisley painting.

...ix Theatre

The Magic of Young Houdini

... who goes to this ...s show (matinées only; ...enings *Carte Blanche* is ...o make sure you take ... at the right time) ex...o learn more about the ... of that fascinating ... Erich Weiss who cap...e imagination of the ... Harry Houdini, the ...ist, will be dis...l.

...ow is a mild, thinly ...yrupy mixture of magic, ... dance routines, slap... audience participation. ...cipals are four in num... Pompinstance, owner ...udeville Theatre some... America at the turn ...ntury, played by Gerald ... his pretty daughter (Christine McKenna); ...oudini, the up-and-com...g magician with a tooth...nile (Martin Connor); ...ireless hoofing back of ...g Professor Manchu Paul Bacon).

...y all four members of ...rtet, *who are supported* ...chorus line of three ... stage hands, emerge as ...ttractive artists; other... show really would be ...resome. As it is, thanks ...st, and one or two classic ... it just about gets by.

... it is appallingly weak ...plot which children do ...ost of all. There might ...en fewer wolf-whistles ...e 11 and 12-year-olds ...r Miss McKenna ap...f they had been given ...g more to get their ...s teeth into than the ...strated attempt of the ...performer to get the ... impresario to give him ...ance. The American ... Barbara and Anthony ..., have short-changed us badly in this respect.

Still, there was a lot of noise coming from a sparsely populated auditorium when I was there which must be an index of enjoyment at some level. Perhaps the liveliest moment in Robin Hawdon's production is when Paul Bacon descends into the stalls and curses the entire house ("You horrible little creatures dribbling ice-cream . . .") to its ecstatic delight just before the much awaited triumph of his rival. I felt that Mr. Bacon was *performing* at this point with passionate, wholly admirable commitment.

ANTHONY CURTIS

Riverside Studios holiday programme

Riverside Studios, Crisp Road, Hammersmith, will be open every week-end from Christmas to Easter with performances on Saturdays and Sundays in Studio 1 and a variety of activities, including three exhibitions, in Studio 2.

Activities start on Wednesday, December 29, with a children's painting and music workshop, which will lead to a performance of *Noye's Fludde*, the children's opera by Benjamin Britten, at 8 p.m. on Sunday, January 2, performed by the Chiswick Children's Music Group together with local children.

Peter Gill, director of Riverside Studios, is reviving his play *Small Change*, which he also directs. The week-end January 22/23, is devoted to modern dance: Junction Dance Company will be performing at 8 p.m. on each evening.

The week-end of January 29/30 will be entirely musical in Studio 1. On Saturday St. George's Canzona will present a concert of medieval music at 8 p.m. On Sunday at 8 p.m. The Albion Dance Band present folk and dance music.

Studio 2 will be open every week-end from January 8 from 2 to 11 p.m. Continuing performances will include Theatre Machine, Fulham Band, Derek Carpenter, The Jaye Consort, Drum Workshop and many more. There will also be three exhibitions — contemporary prints, photographs from the West London Observer, posters by Bob Linney and Ken Meharg. A food *and coffee bar* will be open every day—weekdays 11 a.m. to 6 p.m. and at week-ends from 2 p.m. to 11 p.m. Tickets for events in Studio 1 will be on sale from December 29, Studio 2 on the day.

Covent Garden

The Nutcracker

by CLEMENT CRISP

Jennifer Penney and David Wall were seen on Saturday night leading the revels in *The Nutcracker*, and doing so handsomely. Miss Penney is one of those performers who seem naturally blessed for classic dancing, albeit the "seeming" is the fruit of countless hours in class. The ease, the sweet elegance with which she skims through choreography is a special joy, and behind the dancing is a quality of lyrical innocence ideally suited to the child and the dream-ballerina Clara of Nureyev's version. Even the over-loaded dances of the grand pas de deux seem less fussy when Miss Penney takes her lissom, long-legged way through them; her musicality and that particular Royal Ballet precision in stating the classic academic vocabulary, combine to give the dance a delightful freshness.

David Wall's Drosselmeyer is the soul of charm. Less mysterious than Nureyev—who finds a Hoffmannesque darkness in the role—Mr. Wall is benign, and wonderfully jovial with the children. His dancing is no less charming, and the duet at the beginning of the snow scene was a splendid display from both artists of grand, easy dancing.

The production went more smoothly than on the first night, though the transformations are still not as magical as they should be: if we are not amazed by a stage trick, it has failed—and I wish that the stage crew were dressed in dark cover-alls, for there *is nothing so* destructive of illusion as white-shirted figures removing properties in what the Opera House believes are black-outs.

Much of the casting was as on the first night, and very good. An infant performer must be singled out for especial praise. I am no admirer of tots (my hero in this matter being Herod), but a very young gentleman from the Royal Ballet's Junior School—a cherub in eau de nil satin who leads much of the action and at one moment winds himself up to assault Fritz in his military disguise—is a vivid and tremendous stage personality. If he can eventually dance as well as he can act now, he will be a force to be reckoned with.

EUROPEAN NEWS

Nationalist leader steps down in Malta

By Godfrey Grima

VALLETTA, Dec. 20.

DR. GEORGE Borg Olivier, the leader of Malta's opposition Nationalist Party, is to step down and a successor will be named by the party early next year. Dr. Borg Olivier is 65 and was premier at the time of Malta's independence from Britain in 1964.

The decision, which brings to an end his 26-year leadership of the island's second largest political party, was announced over the week-end, following a meeting of the party's 500-strong general council. The party's statement said the council will convene again on January 2 to elect a successor. Although this will be done in consultation with Dr. Borg Olivier, the successful contender will have to emerge with the highest number of votes from council delegates.

The two front-line runners for the job appear to be Dr. Eddie Fenech Adami, president of the council, and party secretary Dr. Guido Demarco. The statement did not reveal how the decision had been reached. It did not specify whether Dr. Borg Olivier had offered to step down, or whether, as is being claimed, the move resulted from an accord reached less than two months ago between Dr. Borg Olivier and party officials who had been demanding his resignation, following his failure to unseat Prime Minister Dom Mintoff's Labour Party in a general election in September.

This morning, the party newspaper Our Nation paid glowing tribute to Dr. Borg Olivier's leadership. It is unlikely that his departure will entail fundamental policy changes by the Nationalists.

In a separate development, the Labour Party's annual conference elected two new deputy leaders, both moderates, who beat a number of radicals, including three cabinet ministers, in the ballots.

France puts JET nuclear project 'on its deathbed'

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Dec. 20.

THE EEC's ambitious £60m. thermo-nuclear fusion project—the Joint European Torus (JET)—was pronounced "on its deathbed" to-day by Dr. Guido Brunner, the Commissioner responsible for research policy, as a result of blocking tactics by France which have prevented agreement being reached on a site.

Dr. Brunner, who put much effort into trying to nudge the Nine into a final decision on the project, told a Press conference that there was now only a one in ten chance that it would go ahead. He had already ordered that plans be made for winding up the research done so far. Seven of the Nine countries had already agreed informally that the project should be built either at Culham in Berkshire, or at Garching in Germany. An eighth, Italy, seemed ready to go along with the majority. But France refused to have the JET sited outside its borders.

France's original choice was its nuclear facility at Cadarche. But, after it became clear that there was no support for this proposal among other governments, the French Government suggested that the CERN facility near Geneva be extended across the frontier into France and that JET should be built there. Dr. Brunner had hoped that France's opposition could be overcome at a Council of Research Ministers due to have been held to-day. But the meeting was cancelled after the French Minister, M. Michel d'Ornane, objected that it would be premature.

The difficulties of reviving the project next year will be considerable. The contracts of the 38-member JET design team at Culham expire at the end of this year. Although they may be extended for another three months, several governments will have to seek new parliamentary authorisation for funds to finance the programme.

Given the scientific importance of the project, which promises to produce abundant new sources of energy at low cost, some European governments may wish to proceed with it jointly, but outside the Community framework. However, there is a risk that many members of the design team will leave Europe in the meantime, possibly for the U.S. where a similar project is under development. Dr. Brunner said that about £6m. had already been spent on preparatory work, out of an estimated final cost of about £60m. If the project were definitely abandoned, he did not expect it to have a major effect on the rest of the EEC's research programme, for which funding has been approved in principle.

David Fishlock writes: The JET project was conceived as Europe's opportunity to put itself back in the big league of nuclear fusion research, alongside the U.S. and USSR. Based on ideas first enunciated in Russia, the apparatus was conceived as a giant electromagnet in the shape of a torus (doughnut) about 20 feet across. This was to act as a "bottle" for electrified gas at extremely high pressure and temperature.

Dr. Walter Marshall, deputy chairman of the U.K. Atomic Energy Authority, said that he was "extremely disappointed" that the Nine had been unable to reach agreement. But he said that he did not rate the chances of reviving the project any higher than did Dr. Brunner.

At the last meeting on the JET project between the Nine, agreement had reached the point where Britain and West Germany, although both still eager to host the project, had tacitly agreed that neither would veto a decision to locate JET in the other's country.

EEC-Turkey agreement

BY ROBIN REEVES

BRUSSELS, Dec. 20.

A SERIOUS rift between Turkey and the EEC was avoided here to-day when the Turkish Government reluctantly accepted a package of minor improvements in the terms of its agreement of association with the Community.

The concessions slightly improve conditions for Turkish workers in EEC countries and the terms of preferential access for Turkish agricultural exports to the EEC. They were made in response to complaints from Ankara that the preferential trade, aid and co-operation agreements which the EEC has recently concluded with other Mediterranean countries, and negotiations by Greece for accession to the Community, have devalued the advantages which Turkey had from its earlier agreement with the EEC.

Strong W.German motor demand

BY ADRIAN DICKS

BONN, Dec. 20.

THE WEST German motor industry can expect a further year of growth in 1977, although not at the same rapid rate as it enjoyed during 1976, according to a study by the Munich-based IFO Institute.

The study estimates that there is still a domestic demand backlog for some 400,000 cars which were not ordered or built because of the 1974-75 recession. Although not all of this "new registrations deficit" will be made up, the institute believes it should keep demand strong enough to give at least a 5 per cent. increase in production and new domestic registrations next year.

The report also expects a powerful stimulus to car sales to result from the DM20bn. in long-term savings instruments which will theoretically be available for redemption early in the New Year—twice as much liquidity in the hands of consumers as was provided by the same process at the beginning of 1976.

● Foreign penetration of the French car market fell to 23.6 per cent. in October from 28 per cent. in September, but was up on the 19.2 per cent. of October 1975.

President of Cortes attacked by mob

By Roger Matthews

MADRID, Dec. 20

RIGHT-WING extremists tried to attack one of Spain's leading conservative politicians today as their anger mounted at the liberalising policies of King Juan Carlos and his Government. Sr. Torcuato Fernandez Miranda, president of the Cortes and of the Council of the Realm, had to be rescued by police armed with sub-machine guns when he was forced away from his car by an angry crowd after leaving a memorial service for Prime Minister Carrero Blanco, who was assassinated three years ago.

Screams of "traitor" greeted Sr. Fernandez as he left the church in central Madrid. Hemmed in by a shouting crowd giving the fascist salute, he was pushed across the street towards the US embassy, and it seemed that he might have to seek refuge there.

To-day's incidents emphasised the relatively small number of people the extreme Right is able to muster, and the tolerance it is still given by the police. It was several minutes before Sr. Fernandez received uniformed help, in spite of widespread predictions beforehand that there was likely to be trouble.

The Government is being accused of adopting a soft line towards the kidnappers who are still holding Sr. Antonio Oriol, president of the Council of State. There has been no word from the kidnappers, said to be members of a group called Grapo, for nearly 48 hours, following their last message which said Sr. Oriol was still alive. Official sources believe that the kidnappers are prepared to hold their hostage until the Government makes a positive move towards introducing a general amnesty for the 200 or so political prisoners remaining in gaol.

Meanwhile, Prime Minister Adolfo Suarez has undertaken the trip to Barcelona that he postponed last week and is due to talk with Catalan leaders on regional problems and demands for autonomy. It is understood that, as a result of the overwhelming support that the Government received last week in th ereferendum on constitutional reform, the Prime Minister may be prepared to introduce a series of major economic measures, a move that, until recently, it was officially held, could only be made by an elected Parliament.

UNREST IN EAST GERMANY

Genies of dissent f by Helsinki agreen

BY LESLIE COLITT IN EAST BERLIN

TWO SPECTRES are haunting the Communist leaders of East Germany these days: the desire expressed by ever more East Germans to emigrate to West Germany and the growing ferment among writers and ordinary East Germans who want to reform the prevailing rigid brand of Socialism and are taking their cue from Western European Communists, especially the Italians.

Both currents have always lurked just below the surface of East German life. They erupted with special force during the mass flight to the West that led to the building of the Berlin Wall in August 1961, and in 1968 when reform swept neighbouring Czechoslovakia, leading many East Germans to express their sympathies for "Socialism with a human face."

In the German Democratic Republic 17m. orderly citizens enjoy the highest standard of living in the Communist world. By all logic, their rulers should feel more secure than ever, with the country recognised by the entire world and its borders guaranteed by East-West treaties and the Helsinki Declaration. Yet ironically it was the Conference on European Security and Co-operation, held in Helsinki last year, that let the genies out of the bottle.

The final Helsinki document was published in full on August 2, 1975, in East Germany's Communist Party newspapers which were in unusual demand on that day. East Germans for the first time were able to read that travel was to be made easier and that families divided between countries could be rejoined.

The signatory states, they learned, had agreed to ease entry into their countries and exit from them, as well as to improve individual and group tourism. East Germans were soon able to cite chapter and verse to their Communist Party and trade union officials and began to stand up in meetings to ask when they would be able to make their first trip to West Germany as tourists.

Simultaneously, a larger number of applications began coming in from East Germans who said they wished to be "discharged" from their citizenship and to "re-settle" in West Germany. Some wanted to join relatives of varying degrees of closeness while others wrote they were applying in compliance with "paragraph two of the UN Declaration of Human Rights" setting down freedom to leave one's country as a basic right.

In the 17 months since Helsinki the number of applications to leave has steadily risen to well over 100,000. Informing the authorities that one wishes to depart means almost certain demotion at work.

Numerous applicants, including a group of 79 citizens in the town of Riesa in Saxony who jointly petitioned the Government to leave, have been visited by state security officials who urged them to withdraw their names. Some have been arrested for making the petition known to the Western media and may face trial.

The authorities have all but halted the processing of exit applications, fearing the snowball effect when East Germans learn that a family in their midst has been allowed to leave.

Overt political persecution is seldom the reason for an East German to apply to leave, nor is genuine economic deprivation. Most of the applicants earn more than the average and have not previously had open political differences with the authorities.

East Germans are applying to leave in ever greater numbers because they think that for the first time since the wall went up there is a real chance of success. They believe the Government is obliged to live up to the humanitarian portions of the treaties and agreements it has entered into with the West, and are out to test its sincerity.

The indications are that guidelines will be issued specifying exactly who is eligible to leave, and that the authorities will reject exit applications from the great majority of those who do not have first degree relatives in the West. At the same time, the East German Government could announce that it is lowering the age limit above which East Germans are permitted to visit West Germany. At the moment men of 65 and women of 60 or above may go.

"East Germans are applying t[o] greater numbers because they [...] the first time since the wall we[nt] a real chance of succ[ess]"

This will add a potential 1.5m. persons of working age to the retired persons who are now permitted to travel to the West for a total of 30 days annually. The government, though, is unlikely to allow all of them to visit West Germany since professional people, especially doctors and dentists, have been among those who most frequently escape to the West.

Husbands and wives will almost certainly not be able to travel together and those who are deemed to be privy to state secrets will also have to stay home. Although both East and West Germany would hotly deny the suggestion, the lowering of the travel age limit is linked with East Germany's keen interest in obtaining a doubling of the current DM2.2bn. West German government guaranty of private West German credits to East Germany.

Details are unlikely to be announced until the East German leadership has decided how to deal with the uproar among East German writers and artists caused by the expulsion from the country last month of Herr Wolf Biermann, the dissident political poet and folksinger.

Not even during the East German uprising of 1953 have so many leading East Germans protested against a government decision. Thirteen East German authors, among them the country's foremost writers, such as Stephan Hermlin, Stefan Heym, Christa Wolf, Volker Braun and Guenter Kunert, signed a letter calling on the leadership to revise its decision stripping Biermann of his citizenship and refusing to allow him to return to East Germany during his first tour of West Germany in 11 years.

The writers were quickly joined by dozens of other authors and artists who supported the protest letter.

The party lashed back, attacking the authors for making their statement available to the Western media.

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Iceland cod 'over-fished'

BY ROBERT MAUTHNER

PARIS, Dec. 20.

ICELAND'S valuable cod stock is still thereatened by overfishing, in spite of the extension of the country's fishing limits to 200 miles in October, 1975, according to the OECD's latest report on the Icelandic economic situation.

Stressing that the 330,000 tonnes total Icelandic and foreign cod catch anticipated for 1976 would be 18 per cent. above the level recommended by an international panel of marine biologists, the OECD secretariat said that more direct conservation measures were required.

These would probably hurt the country's balance of payments for the next two or three years, but were necessary for the optimal exploitation of the cod stocks in the long term.

On the whole, however, Iceland's economy has been doing better lately than for several years. It is one of the few OECD countries where unemployment has not risen during the present recession, and its rate of inflation this year is expected to be cut to about 30 per cent. from its astronomical 1975 level of 50 per cent. In 1977, it could drop to 20 per cent. or less.

On the trade and payments front, too, things are beginning to look up. The current payments deficit will probably be cut by half to $55m.

Call for release of Soviet writer

PARIS, Dec. 20.

MORE THAN 150 writers from 14 countries, among them Nobel prize-winners Saul Bellow and Heinrich Böll, have appealed to the Soviet Writers' Union to try to obtain the release of author Eduard Kuznetsov, serving a 15-year hard labour term in a Soviet prison camp.

Kuznetsov, best known in the West for his Prison Diaries, was one of two Soviet jews sentenced to death for treason in December, 1970, for their role in the planned hijacking of a Soviet airliner to the West. The sentences were later commuted after an international outcry. Kuznetsov had earlier served a seven-year prison term for anti-Soviet activities.

Meanwhile, Soviet dissident Vladimir Bukovsky waited in Zurich for medical opinion on the health of his 12-year-old nephew, who has suspected cancer of the lymph glands, before deciding his next step after his surprise release by Soviet authorities on Saturday.

Mr. Bukovsky has said he will probably take up his biology studies again in the Netherlands, but he wants to stay in Switzerland for the time being to be near his nephew. He will decide on his immediate plans in the next two or three days, according to an Amnesty International official.

In the USSR, Chilean Communist leader Luis Corvalán, freed by the Chilean Government in return for the release of Mr. Bukovsky, remained to-day at a villa near Moscow. It was thought that the expected triumphal entry into Moscow might have been postponed because of heavy snow, followed by a thaw during the morning, which created unfavourable conditions for thousands of Muscovites to turn out on the streets. Sr. Corvalán is expected to settle either in the Soviet Union, or possibly in Finland.

Reuter

Libya, Italy sign a[c]

BY OUR OWN CORRESPONDENT VAL

A BID for major Libyan development projects to be handled by Italian firms is in the offing following a visit to Tripoli by the Italian Foreign Trade Minister, Sig. Rinaldo Ossolo, over the week-end at the end of which it was agreed to create a high-level joint committee which would promote greater economic co-operation between both countries.

The Minister's visit arose after Libyan officials expressed willingness to step up economic ties with Italy, part
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Central banks review sterling balances

By Our Own Correspondent

PARIS, Dec. 20.

CENTRAL bankers from the major industrialised countries met here to-day, under the auspices of the Basle-based Bank for International Settlements (BIS), to discuss detailed proposals for dealing with the U.K.'s sterling balances.

It is understood that the British Government put strong pressure on the bankers to come up with a solution as quickly as possible, and would like to see a final agreement reached at the next regular meeting of the BIS governers on January 10. The progress made at the meeting of central bankers in Basle a week ago on this subject is not, however, considered to have been as great by some European officials as Mr. Denis Healey, the Chancellor of the Exchequer, has claimed.

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AMERICAN NEWS

Carter chooses Georgian as Attorney-General

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 20.

JIMMY Carter, the U.S. sident-elect, to-day picked e more members of his inet: his Attorney-General, ge Griffin Bell; his Commerce etary, Mrs. Juanita Kreps; his Secretary of Agriculture, gressman Bob Bergland.

idge Bell's appointment is ly the most controversial, as essed by Mr. Carter's being somewhat on the defensive he barrage of questions at his s conference. He was pressed Judge Bell's civil rights rd, which has been criticised some black leaders, and on ther he was backing down on promise to name more blacks women to the top echelons of administration.

e was also asked how he d justify Judge Bell's selec- in the light of his campaign promise to take the Attorney-General's job "out of politics." The judge is a Georgian, from Americus, just ten miles down the road from Plains. He is a law partner of Charles Kirbo, Mr. Carter's closest confidante. Of the 12 appointments Mr. Carter has made so far, four come from his home state.

Mr. Carter's campaign promise had been made very much with the example of John Mitchell, President Nixon's Attorney-General, in mind. But this morning, he tried to defuse criticism by comparing his choice with that of President Kennedy, who picked his brother, Robert, by observing that at least he had not chosen his own brother (Billy, the Plains peanut farmer and garage owner).

More generally, however, he rested his defence on the position that he had been advised by numerous people that Judge Bell was the best person and that his prime criterion in making appointments was to choose "the best."

Judge Bell, who is 58, is no stranger to politics, having served as John Kennedy's campaign manager in Georgia in 1960. As a former member of the Fifth U.S. Circuit Court of Appeals for 15 years until last spring, his record was generally reckoned moderate on most key social and civil rights issues: he ruled in favour of the the integration of court juries and against political gerrymandering that he concluded was discrminatory and was active in court procedural reform.

The two apparent black spots on his record are that in 1966 he upheld the decision of the Georgian state legislature to deny a seat to Mr. Julian Bond, the black politician (the Supreme Court overruled his verdict). He was also a staunch supporter of the Supreme Court nomination of G. Harrold Carswell by President Nixon which the Senate subsequently rejected. To-day, Judge Bell implied that if he knew then what he knew now about Judge Carswell, he might not have been such a vigorous advocate.

But these instances have been enough to prompt sharp adverse reaction to his selection from black groups, who have been doubly discontented that neither Congresswoman Barbara Jordan from Texas nor Mrs. Patricia Robert Harris, the former Ambassador to Luxembourg, has become Attorney-General.

Mr. Carter repeated today that he was applying his basic criteria to all prospective appointees regardless of sex or colour. He again noted that blacks and women were "disadvantaged," but he said that it would be unfair to say he was excluding them from his government until all the names had been made public (it is known, for example, that several prominent blacks and at least one woman, Mrs. Jane Cahill Pfeiffer, had withdrawn themselves from consideration.

He also said that he had instructed all his cabinet members to ensure that blacks and women were fully represented at under-secretary and other sub-cabinet levels.

Mrs. Kreps, second choice for Commerce after Mrs. Pfeiffer, is a professor of economics at Duke University in North Carolina. She currently serves on the board of five major companies, plus the New York Stock Exchange, and is an expert on manpower policies and the economics of the aged.

Congressman Bergland from Minnesota is a protege of Senator Hubert Humphrey and Vice President-Elect Walter Mondale. As Mr. Carter promised, the new Agriculture Secretary is a practicing farmer, with a 600-acre wheat and lawn-seed spread just south of the Canadian border.

He has a reputation of being the champion of the small farmer and may thus be seen as the antithesis of Mr. Earl Butz, until recently the Ford Administration's Agriculture Secretary, who was closely indentified, and had been employed by, the big agri-business firms.

He favours higher support prices for farmers and the establishment of large grain reserves. Minnesota also happens to be major sugar beet state and this year Mr. Bergland introduced a bill into Congress which would impose additional tariffs on sugar imports entering the country at prices lower than American production costs.

Brazil is split over oil policy

By David White

RIO DE JANEIRO, Dec. 20.

THE BRAZILAN Government appears to be split over a plan to ration petrol following last week's decision by OPEC to raise oil prices. The January increases are expected to add an annual $300m. at current consumption rates, to Brazil's oil bill.

Brazil will have paid almost $4bn. by the end of the year for oil imports, compared with $3bn. last year. Consumption up to the end of October rose at an annual rate of 9.7 per cent., despite the apparent success of the Government's policy of setting high petrol prices for motorists.

Consumption of car fuel has remained virtually static with a sharp drop in the use of high-grade petrol, which retails for £1.36 a gallon.

This has been offset, however, by an 18 per cent. rise in diesel oil consumption. Petrol and diesel oil account for more than half Brazil's oil needs.

A further problem on the oil front is a delay in equipment supplies for a new offshore field north of Rio de Janeiro. This field was due to shart producing next year at a rate of 45,000 barrels a day, but the start-up is now not expected to take place until 1978.

Brazilian oil production up to October dropped by 2.5 per cent. to 167,000 barrels a day, compared with 171,500 a year earlier. The drop is accounted for by the drying up of onshore wells, which are gradually being replaced by offshore finds.

ARGENTINA'S ECONOMY

Relative severity

BY ROBERT LINDLEY IN BUENOS AIRES

THE ARGENTINE Economy Minister Dr. Jose Alfredo Martinez de Hoz has promised a "more flexible" wage policy as from January 1, but that alone hardly justified the forecast in a Buenos Aires newspaper that there will be a general wage increase of at least 33 per cent.

Such an increase, so some calculate, would more or less restore to wage earner the buying power they had in June. That was three months after the coup d'etat, brought on, as much as by anything else, by the failure of the string of six Economy Ministers of the Peronist Government. In the not quite three years of that Government, they managed to do little other than foment speculation, smuggling, corruption, and organised sabotage.

Dr. Martinez de Hoz did once promise an overall wage increase on January 1, but without revealing what exactly it will amount to, he said that it definitely will be linked to greater productivity. "The economic team wants to relate increased wages to increased productivity," he said. The indications are that businesses will be allowed to increase wages to their staffs, always provided that those increases are not reflected in prices.

The Government's policy of free prices and frozen wages is surreptitiously circumvented by many businesses which pay above the officially permitted maxima risking heavy fines. They say that they are doing in their own way what Dr. Martinez de Hoz in fact has asked them to do: averting the loss of trained or otherwise valuable personnel, who will be sorely needed once the promised re-activation of the economy comes about. There is in fact very little unemployment.

Nevertheless the Government is afraid of labour unrest, though surprisingly, considering the officially declared determination to bring organised labour to heel—there is very little of it. The military dictatorship has been prepared for trouble since mid-May. More or less full employment, however ill-paid, has paid off so far for the Videla regime. Yet, according to official figures, the wage earner in a State-owned enterprise, at least, must to-day work 13.2 hours or more than twice as many hours as in August of last year to pay for the same selection of food.

> Inflation may be down to about 100 per cent. this year, compared with nearly 350 per cent. in 1975.

This "family basket" consists of ten items: a kilogramme each of pasta, bread, beef (rib cut), apples, potatoes and sugar; a litre each of edible oil, milk, and table wine; and a dozen eggs. Again according to the official statistics. A month before the coup, in February of this year, this same food basket already required 10.2 hours of work from the state enterprise wage earner.

Price rises continue for virtually all consumer items, and as a result in more and more factories, staff are working with an increasing lack of co-operation.

If the wage earner's situation is to improve appreciably in 1977, it will be Argentina's own efforts which primarily will make it possible, and not the foreign loans which continue to pour in in considerable amounts. In the first week of December alone, 15 French banks, headed by Crédit Lyonnais, came through with $30m. and eight Dutch banks, headed by Algemeene Bank Nederland, and Swedish, Norwegian, and Finnish banks came through with $20m. and more than $10m. respectively.

Although the economy is in serious difficulty because of the continuing fall of the real wage and of huge public expenditures, in nine months the new economic team has achieved quite a lot. The current wheat crop, which promises to be the biggest ever, may become something of a nightmare for Dr. Martinez de Hoz because of the fall in the world market price of wheat. But with about $2,300m. to reckon on from this source and a possible trade surplus this year of between $700m.-800m., the central bank may be able to ease up on import restrictions. Inflation may be down to about 100 per cent. this year, compared with nearly 350 per cent. in 1975.

Dr. Martinez de Hoz has become a mainstay for General Jorge Rafael Videla against his navy and air force colleagues who want him to give up the command of the army, leave the military junta, and stay on simply as president. Usually in a regime of this sort, it is the military dictator who props up the civilian cabinet members. The condition that Dr. Martinez de Hoz has set seems to be: "If General Videla leaves the junta, I leave the cabinet." Dr. Martinez de Hoz has his enemies, and highly placed ones at that, but many people feel that a change of economy ministers in the near future would be disastrous.

A week after the coup in March when it was touch and go whether Argentina would default on the payments on its foreign debt of more than $1,000m., Dr. Martinez de Hoz could only speak of Argentina's potential. "Argentina's economy," he then said, "has an extraordinary potential because of the country's human and natural resources." The other evening, on a television panel programme, he still spoke cautiously, but less so. Economic hardships would come to an end next year—" or at least they will not be so severe as they have been up to now."

Blumenthal opposes use of 'the big stick'

By Our Own Correspondent

WASHINGTON, Dec. 20.

t. MICHAEL Blumenthal, o will be Mr. Carter's new easury Secretary, has drop- a few hints about the ure direction of American ernational economic policy ich will, at the least, not dis- urage the rest of the in- strialised world.

Mr. Blumenthal enjoyed the utation of being a tough rgainer during the Kennedy and trade negotiations of the 60s and is sometimes said be close to a doctrinaire free der.

But in an interview with ne Magazine, published to- y, he said: "I do not be- ve the U.S. is well served we go around the world ving a big stick. I think we ed to protect our interests, t we need to do it calmly, sibly and in a spirit of co- eration."

He commented unfavourably the aggressive attitudes opted by Mr. John Connally en he was Treasury Secre- y under President Nixon. r some time, Mr. Blumenthal d, "there has been a feel- in Europe that its difficult do business with the U.S. at's why, among other ngs, the trade negotiations Geneva, which were started ree years ago, are stalled."

Mr. Carter, of course, has omised to include the easury Secretary more fully the formulation of economic licy and Mr. Blumenthal is own to be tough enough to sp the opportunity.

NYC told Congress may oppose extra federal aid

BY JAY PALMER

NEW YORK, Dec. 20.

Y YORK City financial offi- s were this morning bluntly rmed that, even if President- t Jimmy Carter decides to ease Federal Government aid he city, Congress would not ssarily go along with such ove without a fight.

t this morning's regular bi- ual hearings of the Senate king Committee on the New k City situation, Senator liam Proxmire, the commit- chairman, stressed that gress "would not be likely pprove" any application for eased federal aid.

n. Proxmire, who earlier d testimony from Treasury etary William Simon, also d that while federal Govern- t aid in the form of welfare tance "was a possibility," it ains unlikely that the federal ernment would be able to rd it.

e Senator, who has a repu- n for being among the ngest critics of increased ernment funding to financi- troubled cities, said that ral guarantees of New York 's municipal debt was "iffy." arlier this morning the le committee heard Mr. on testify that New York had ested, and he had agreed to a one-month postponement of payments to the city of its regular scheduled federal loans. The city had asked that only $200m. of the $370m. of federal funding due this month actually be handed over.

In later testimony, Mr. Simon said that New York City now has a sound financial plan for recovery which will enable it to achieve a balanced budget by 1978 and re-enter the public borrowing markets by 1979. He strongly recommended that the city try to borrow from the debt markets in 1977 to see whether its programmes have inspired greater creditor confidence.

These Senate hearings will end to-morrow, following scheduled testimony from New York City Mayor Abraham Beame and New York State Governor Hugh Carey. The Mayor is to-day expected to unveil "a series of strategies" for the city's progress towards financial strength.

The hearings come at a time when the city is once again facing immediate short-term financial problems. The crisis this time centres on its need to find $1bn. within the immediate future to comply with the recent court order that it pay off city debt held by private investors.

'Heavy pressures to bribe'

BY STEWART FLEMING

NEW YORK, Dec. 20.

CORPORATIONS come er heavy pressure in many s of the world to pay bribes ocal officials, according to a rt by International Business, nsultancy firm, as a result nvestigations into corporate ery in the U.S.

nong other things, the re- claims that some companies they have been able to buy r way off the Arab boycott with payments of up to 00, provided their contacts Israel are not too visible.

ternational Business is a mercial consultancy headed Mr. Orville Freeman, Secre- of Agriculture under Presi- s Kennedy and Johnson.

e report is based on inter- s with senior executives of 50 U.S. multinationals. It prepared specifically to try influence the ongoing debate he U.S. on how to tackle orate bribery and in parti- r to influence thinking on U.S. legislation that is pro- d on the subject or by inter- onal agencies establishing s of conduct on the subject.

e Business International y comes to a similar con- on about the widespread re of corporate bribery as a study by the non-profit Council on Economic Priorities.

This study by a political scientist, Mr. Gordon Adams, is based on analysis of the information given to the U.S. Securities and Exchange Commission under its voluntary disclosure programme which has involved more than 175 U.S. companies disclosing questionable payments in excess of $300m. since 1970.

The Business International study suggests that in areas of Latin America bribery of customs officials is so common that companies have set up special funds to meet the payments which are disguised by overbillings or false billings to service agencies and consultants.

It suggests, that nothing very much happens in Indonesia, for example, without corporate bribery payments and that in some Middle Eastern countries the payments systems had become institutionalised to the extent that companies are required to hire local "agents" who perform no services but are given fees. Kuwait and Saudi Arabia are mentioned.

According to the report, China is the only developing country where payments are unknown.

OVERSEAS NEWS

Egyptian discussions with creditors are postponed

BY MICHAEL TINGAY — CAIRO, Dec. 20.

CRUCIAL TALKS between Egypt and its main creditors, originally scheduled to be held next January in Paris, will be postponed for at least two months, it is reliably reported here.

The talks under the chairmanship of the International Bank of Reconstruction and Development, have been considered in economic circles as one of the most critical developments in the long history of Egypt's foreign indebtedness. Egypt is due to confront not only the IBRD and the International Monetary Fund, but also those Western states to which it owes money, and representatives of a number of commercial banks.

The country's foreign debts probably total around $10-12bn., a sum which makes the burden of repayment almost intolerable to the economy, despite some success in turning short-term debt into medium-term.

Egypt's untenable position on debts is coming to a head both politically and financially. Earlier this year, during a visit to Saudi Arabia, President Sadat suggested a massve fund of between $7bn. and $11bn., to transfer the management of all foreign debts to an independent body. This led to the formation of GODE, the Gulf Organisation for the Development of Egypt (formerly known as GFED).

GODE, however, turned out a pale shadow of the original Egyptian conception, being capitalised eventually at $2bn., to be spent over five years. Although primarily to fund development projects, its statutes permitted loans for balance of payments support. In July, Egypt applied for just such a loan of $250m.

Dr. Abu Ismail, the recently dismissed Minister of Finance, earlier indicated that both this loan and a much publicised loan for the same amount brokered by the Chase Manhattan Bank were completed in all but formalities. It is now learned that both loans, which are linked because GODE is to act as guarantor for the commercial loan, have still not gone through because of a negotiating hitch.

Compounding Egypt's difficulties, countries like Saudi Arabia and the U.S. have been bringing intense pressure on the Government to put its economic house in order before further financial help is extended.

Postponement of the Paris talks, which remain crucial for Egypt's financial future, is connected with international pressure on Egypt both to come to an agreement with the IMF on economic reforms, and then to implement them.

'Bombshell' promise in Assad and Sadat talks

CAIRO, Dec. 20.

EGYPTIAN Vice President Hosny Mubarak said to-day that summit talks here between the Presidents of Egypt and Syria would result in a "bombshell" with world-wide repercussions.

He was talking as President Anwar Sadat of Egypt and his Syrian counterpart Hafez Assad continued private talks on ways of bringing peace to the Middle East.

Mr. Mubarak added that the talks had been "very fruitful and in the interest of the entire Arab nation" but he refused to elaborate further.

Egyptian Foreign Minister Ismail Fahmi said earlier that the two leaders were fusing their military and political strategy. They are expected to outline the results of the summit at a Press conference here to-morrow.—Reuter.

Ihsan Hijazi writes from Beirut: President Elias Sarkis was quoted here to-day as declaring that he was still giving security matters top priority, and pointed out that stability cannot be strengthened unless weapons have been collected from various factions.

Last night, Syrian troops of the Arab League peace keeping force seized the offices and presses of the leading daily An Nahar and its French-language sister l'Orient-Le Jour, and occupied the press of Al Nida, the daily organ of the Soviet-oriented Lebanese Communist Party.

Token gesture to south Vietnam

BY RICHARD NATIONS — BANGKOK, Dec. 20.

VIETNAM ADJOUREND its first party congress since 1960 with signs that at least a token gesture has been made to include representatives from the south in the ruling hierarchy though they are unlikely to be given real power.

The new politburo—which has been expanded from 11 to 17—includes three members associated with the Viet Cong but who had firm ties to the north. Chan Hung, who had been placed in charge of the entire war effort in the south: Nguyen Van Linh who is the secretary of the Ho Chi Minh City (Saigon) party central committee; and Bo Chi Cong who headed the Peoples' Revolutionary Party during the war and more recently was president of the presidium of the National Liberation Front.

With the exception of party veteran Hoang Van Hoan, who at 71 was ripe for retirement, none of the former politburo members has been dropped.

Observers here think the doubling of the party central committee from 47 to 101 full members was achieved by elevating a number of young, predominantly southern, and technocratic cadres, since few of their names have appeard in public before. The congress also changed the party's name from the Vietnamese Workers Party to the Vietnam Communist Party.

Despite the party changes, however, Le Duan, the party's secretary-general clearly remains the most powerful figure in the country and was confirmed in his post.

Moreover, all the new politburo members were announced at the beginning of the congress as sitting together at the dais, leading observers here to suspect the outcome of last Saturday's elections were prearranged.

A new inspection committee was appointed by the head of the party political department, Gen. Song Hoa, apparently to purge corrupt cadres whose "low level of political consciousness and revolutionary awareness" has "blemished" the party.

The closing session of the congress also received a report on production targets for the five-year plan presented by Premier Pham Van Dang in an earlier session.

Pham Van Dang's earlier outline of the 20-year draft plan revealed plans to move up to 1m. surplus population from Ho Chi Minh City into the new economic zones; a production and export drive to earn foreign exchange and purchase machinery abroad; search for foreign capital and technology and a heavy stress for rapid industrialisation, though allowing expansion of consumer goods industries.

China unrest continuing say provincial reports

BY COLINA MacDOUGALL

NEWS from China's local radio stations in the past few weeks shows that the recent political turmoil in the provinces has been alarming. Accounts of intrigue and sabotage by supporters of the "gang of four"—Chairman Mao's widow and her three colleagues from Shanghai, now under arrest—are beginning to reveal how large a following the "gang" must have had. A wide band of provinces, from Peking to the north to Kwangtung in the south and westward to Sechuan and Yunnan, have been affected. The area includes important industrial centres where production has been badly undermined.

Most of the trouble is described in the past tense, but some events belong to the very recent past and the aftermath is certainly continuing. This would be less important if the army, which is obviously one of the new Chairman Hua Kuo-feng's major props, were united. But the broadcasts reveal that the army, along with the Government and party, has been a key target of the "gang's" infiltrators.

This was confirmed by an article in the People's Daily in early December which attacked the gang for "creating chaos in the armed forces." The article, written by a group from the army's general staff, ordered implicit obedience to Hua and the party's central committee, and went on to point out how the gang had undermined loyalty.

Chang Chun-chiao, one of the gang but until October a Vice-Premier and director of the army's political department, was accused of trying to replace veteran officers with the gang's own men. The gang attacked senior army officers as "warlords" and urged rebellion against the party's military commission, the highest body in control of the army.

Most important of all, there is an implied admission that a fair number succumbed to the gang's blandishments.

Trouble in the army makes the provincial upheavals much more serious than they would be if the leadership in Peking could be certain of controlling the gun everywhere. The most worrying provincial episode so far seems to have been in Hopei, the province that surrounds Peking. In Paoting prefecture, immediately south of the capital, supporters of the "gang" attacked officials, caused outbreaks of armed fighting, while "the masses were hoodwinked into beating, smashing and looting."

Most ominous of all, the Hopei newspaper said that the object of the gang in fanning the "Paoting incident" had been "to threaten the security of the capital."

The most detailed account of provincial troubles comes from Hupeh, the province in central China that contains Wuhan, one of China's major industrial centres and the location of its second largest steel works. There, the gang "caused extremely serious interference and sabotage . . . they tried in every possible way to disrupt and paralyse Hupeh . . . organising co-ordination between the upper and lower levels . . . They wanted to topple a large number of responsible comrades of the party, government and army."

In Hupeh the gang worked through a powerful contact in the adjoining province of Honan, through another in Peking and a third in Shanghai. They sent a group of spies to Hupeh to build up dossiers of incriminating material on officials they wanted to ged rid of. They set up what was almost a rival government in Hupeh that no one dared to touch.

"They wanted official posts and power."

How did the gang's supporters do it? "They openly violated the regulations laid down by Chairman Mao . . . formed fighting groups of all descriptions, established ties, incited anarchism, intervened and sowed discord in prefectures and counties, and stormed the organs of [...] agriculture, commerce a[...] munications and transp[...] short, they wanted to ca[...] plete chaos."

The account of the [...] experience reveals not [...] kind of tactics the gang used, but also how wid[...] their net of contacts was [...] supporters in different p[...] were in touch with one [...] Their hatchet-men seem [...] enjoyed a certain immun[...] the legitimate governme[...]

There is no reason [...] that the network the g[...] up has now dissolved. I[...] tainly headless, but the [...] level ringleaders still [...] too incriminated ever t[...] to the fold. Its suppor[...] still highly placed. In [...] vince at least (Yunnan) [...] got their "faithful f[...] there on to the party's [...] committee and then to th[...] ing committee of the People's Congress, [...] supposedly elected [...] assembly. He is unlike[...] the only member of th[...] webb in a senior post.

Major effort is likely to boost production

HONG KONG, D[...]

INDUSTRIAL enterprises in China are likely to undergo a sweeping reorganisation next year in an effort to improve efficiency and increase production. This is expected to be one of the key tasks of a national industrial conference called by the Communist Party Central Committee for early in 1977.

The conference was called after the State Council convened a preparatory meeting in Peking earlier this month, according to Peking Radio reports monitored here. An editorial in the party newspaper, People's Daily, called on party cadres, industrial managers and workers to "make good preparations" for the conference, to be held "before May 1, 1977." The editorial said that the late Mao Tse-Tung's "line, principles and policies" would be followed in the development of the nation's industry. But it also indicated that sweeping changes were in the offing. It called for "strengthening the management of enterprises, instituting and improving rational rules and regulations, launching Socialist emulation drives, and raising labour productivity."

It also said it was necessary to improve product quality, lower production costs, and make more efficient use of raw materials. "We must rectify matters the Gang of Four has confused," the editorial declared.

While these matters were not spelled out, they appear to refer to enterprise management, control and organisation. The Gang of Four, radicals purged from the party leadership in October, have been accused of ob[...] policies aimed at in[...] those areas. Many of th[...] cies were spelled out [...] in lengthy documents [...] under the direction [...] purged former Vice [...] Teng Hsiao-Ping.

Official Chinese repo[...] the purge of the Four [...] that these policies will [...] mented in the coming y[...] of the most important [...] advocated by Teng, ar[...] to be adopted at the i[...] conference, is direct c[...] enterprises by the Mini[...] cerned. Another ke[...] change which can be [...] would give factory [...] more authority and re[...] terference by worker[...] was sometimes encour[...] the radicals.

China to-day acc[...] USSR of trying "to dr[...] into its strategic orbit." [...] mentary by the offic[...] China News Agency [...] Kremlin had used—at [...] stages—political pressu[...] tary pressure, "soft m[...] economic enticement [...] "smiling diplomacy" [...] weaken relations betw[...] U.S. and Japan. UPI

ON OTHER PAG[ES]

International Company N[ews]
Losses at Uddeholm
Toyo Kogyo and Ford
Farming and Raw Materi[als]
Australia wool sale for[...]
U.S. sugar problems ...

ELECTIONS IN SINGAPORE

A tale of carrot and stick

BY ARUN SENKUTTUVAN IN SINGAPORE

IN SOUTH East Asia, Singapore is the cleanest and greenest city, where everything works. There are almost no beggars, no strikes and unemployment is well within manageable limits.

German precision engineering companies and Japanese ball-bearing manufacturers who wish to relocate their principal plants outside their own countries choose it as their preferred site.

Almost every Singaporean has a roof over his head largely as the result of a housing programme for which the Government has footed half the bill. Economic growth averaged some seven per cent. a year over the past four years, after averaging more than thirteen per cent. in the previous four boom years, although unemployment has been increasing recently.

Yet, in the 1972 General Elections, thirty per cent. of the electorate voted against Lee Kuan Yew's Government. Even the poor calibre of the opposition candidates, most of them making their first appearance on the political stage, was not sufficient to deter them.

For the elections to be held on December 23, Lee Kuan Yew's candidates are being opposed in 53 of the 69 constituencies. And there is a feeling that though there is no noticeable improvement in the calibre of the opposition candidates or their organisation, their share of the vote will not decline. Why is this?

Singapore is a society where people are told what to do. Those who do well are rewarded. But those who ask why are first of all denied the carrots, and then if they persist given the stick.

Though they live under a constitution which even provides for the removal of an erring Head of State, people are being conditioned to believe that the executive can do no wrong. Those who are not susceptible to such reasoning, and say so publicly, are branded as anti-national subversives.

Soon after Singapore's separation from Malaysia in 1965 the campaign to brand as communists all opposition Members of Parliament—communism is proscribed—was stepped up. One by one, most of them found themselves keeping company with their alleged comrades in Changi prison, where some of them had been detained since 1963 and are in fact still.

The campaign drove the then main opposition party, Barisan Sosialis (Socialist Front) to boycott subsequent elections.

Meanwhile, rumours spread that the numbered ballot papers with numbered counterfoils, on which voters' identities are recorded, might lead to the Government finding out who voted for whom. A Commission headed by the Chief Justice observed in 1966 that this practice was inconsistent with the secrecy of the ballot and said it should be ended. But the numbering system survived.

The atmosphere of fear resulted in 51 of the 58 constituencies being uncontested in the 1968 elections. The Barisan, with its entire leadership exiled, imprisoned, or "sanitised" (detained and released under certain conditions), was out of the running.

The launching of an English-language liberal newspaper, the Singapore Herald, in 1970, at the same time as the competition between two rival Chinese-language dailies intensified, temporarily halted the trend towards a closed society. But public debate of important issues was soon curtailed. Within a year, the Herald's licence was withdrawn, and the senior executives and the publisher of one of the Chinese papers, detained, without trial.

The Newspaper and Printing Presses Act, which followed, brought back the device of "management shares." This enables minority shareholders to maintain control of newspapers, and holders of such management shares have to have the written approval of the Minister of Culture, which is also required for the appointment of senior staff.

But this was not the only consequence of the newspaper crisis. It heightened the political awareness of some liberal and student groups. And the dormant Workers' Party, founded by David Marshall, who in the mid-1950s was Singapore's first Chief Minister, was revived to become the People's Action Party's main rival at the 1972 elections.

At the hustings, the Workers' Party was accused of receiving foreign funds, principally by means of a smear campaign of innuendos in the media. One PAP candidate, however, made the accusation openly and his allegation was repeatedly broadcast by the Government-run Radio and Television Singapore (RTS).

The Workers' Party sued the PAP candidate and RTS for libel. The court ruled that there was nothing libellous about suggesting that a political party had received funds from abroad. The Government, realising that the Workers' Party lost its case mainly on technical weaknesses, quickly amended certain laws, so that RTS can no longer be sued for libel.

The university students' awakening to the problems of some workers who had not shared in the exceptional profits of their companies in the boom but who were made redundant at the onset of recession, upset the serenity of the controlled campuses. (Entrance to higher education requires a "suitability certificate" issued after police screening.)

The student leader, Tan Wah Piow, was charged in court with rioting and jailed for a year. Upon release, Tan, who is short and suffers from severe myopia, was drafted into the artillery, which usually takes only the most able-bodied of men. Claiming persecution, Tan disappeared from Singapore, and is now in England seeking political asylum.

One of Tan's offences was trying to survey workers made redundant, as surveys likely to produce unpleasant facts are not encouraged, and talk about income distribution is taboo.

However, some indicators are available. At the end of last year, three quarters of the [...] persons in Singapore, [...] capita gross domestic [...] S$5,840 (£1,168), earned [...] £960 a year. One thi[rd] [...] less than £480. Both [...] high by the standards [...] East Asia, but Singapo[re] [...] more concerned by [...] judge as unfair in[e]qualities of wealth.

The 1973 survey sh[owed] [...] one third of househol[ds] [...] annual income of [...] S$3,600 (£600) and six [...] had less than £1,000. T[...] reason to believe that t[...] inequalities have chan[ged].

Most of those rel[...] Government-built flats [...] the lower income gro[ups] [...] Singapore university [...] showed that a major [...] settled families polle[...] loss of savings, and w[...] ally less happy. [...] admitted after the las[t] [...] that its insensitive ho[using pro]gramme was one of [...] reasons for the discon[tent].

Some nationalists [...] businessmen are [...] about the increasi[ng] [...] nationalisation of the [...] Though overall forei[gn invest]ment figures are not [...] industrial investment [...] are. In 1959, when PA[P came to] power, foreign-contro[lled com]panies accounted for 2[...] of total paid-up capita[l] [...] try. In mid-1973, t[...] sented nearly 70 per [...]

The people of Singa[pore] [...] ever, are not likely to [...] out of power. An ove[rwhelming] [...] majority of them are [...] origin, with strong ti[es] [...] Chinese communities [...] bouring countries. Th[...] Lee as the protector [...] Chinese interests in [...] world.

Although there ar[e] [...] dissatisfaction of var[...] among the non-Chin[ese] [...] tion, they are not lik[ely] [...] any significant role i[...] tions. The Governmen[t] [...] ing two prominent [...] Malay journalists in [...] it clear that it would [...] attempts to politicis[e] [...] discontents.

Most Singaporeans [...] grants, who like to b[...] to make money. Tho[...] confidential survey [...] only 40 per cent [...] sampled wished Gove[...] trol to be as strict as [...] a majority did app[...] "Law and Order" he[...] and the ultimate ai[...] Singaporeans is to ru[n] [...] of a successful busin[...]

TRADE DEFICIT NARROWS

SINGAPORE'S TRADE deficit narrowed to S$480m. in November from $557m. in October but widened from $401m. in November, 1975, according to preliminary figures from the Statistics Department, Reuter reports from Singapore. This brings the trade deficit in the first 11 months of this year to $5.67bn. compared with a deficit of $6.06bn. in the same 1975 period.

Imports in November totalled $1.99bn. ($2.04bn. in October, and $1.59bn. in November, 1975) while exports amounted to $1.51bn. ($1.48bn. and $1.19bn. respectively). January-November, 1976, imports totalled $20.39bn. ($17.61bn.) while exports totalled $14.72bn. ($11.56bn.).

WORLD TRADE NEWS

U.S. Steel 'may withdraw' from Brazil iron project

BY DAVID WHITE RIO DE JANEIRO, Dec. 20.

...NS to develop the world's ...est known deposit of iron, the Amazonian Serra dos ...jas mountains, have been ...ack by an impasse in nego...ons between Brazilian state ...ests and U.S. Steel, the ... foreign partner in the pro...

...S. Steel is now rumoured ...be prepared to withdraw ...ely from the venture, on ...h a final decision was due ...he end of this year.

...oduction at the Serra dos ...jas mine site was originally ...o start in 1979 but is now ...idered unlikely to begin ...re 1981. Initial output is ... at 12m. tonnes a year. ...g to 50m. tonnes after five years, and total reserves are estimated at 17.8bn. tonnes of high-grade ore.

British Steel is expected to take a 5 per cent. shareholding in the company, Amazonia Mineracao (AMZA), and to receive up to 5m. tons of ore a year from the operation.

However, the future of the project is in some doubt at this stage, because of uncertainties on the world market and escalating costs. The overall cost of developing the mine and building transport facilities has more than doubled—to over $3bn.—during AMZA's two-year existence.

The mine company has to carry the full burden of a 560-mile, $1.2bn. railway to the Atlantic port of Sao Luiz, where a terminal is planned for ships of up to 200,000 tons. According to reports, U.S. Steel has requested that the Brazilian Government put up a loan of $1bn. for development of the mine.

Divergencies between CVRD and U.S. Steel have focused on a battle for administrative control. Under the present agreement, the Brazilian company holds responsibility for the technical, administrative and marketing sides of the venture.

AMZA was set up in 1974 to bring the Brazilians in as majority shareholder in the mine, which was discovered by a U.S. Steel subsidiary, Meridional.

U.S. Steel has planned to reduce its 49 per cent. stake through the entry of other foreign partners in the project—British Steel (5 per cent.), Spain's Altos Hornos de Vizcaya (5 per cent.), and a Japanese consortium headed by Nippon Steel (10 per cent.). The French Usinor steel group is reported to be ready to take up a further 4 per cent. stake, which would leave U.S. Steel with 25 per cent. out of the 49 per cent. foreign participation.

The additional foreign interests are to be brought in through a system of preference shares, which have up to now been subscribed to by CVRD. These shares will not carry voting rights.

British Steel's equity participation, if the deal goes through at around £20m. In the case of a pull-out by U.S. Steel, the Japanese are believed to be prepared to assume the remaining shareholding.

The Americans have already reduced their planned offtake of ore from the mine, from 25m. tons, which would have been half the total output, to 9m. tons a year.

Some reports go so far as to suggest the project may be dropped entirely in view of cut-backs in Brazilian Government spending, but these may well reflect the Brazilian side's desire to bring pressure on the Americans for an early decision.

Under a recent revision of next year's budget, CVRD's spending was cut back from Cr.10bn. ($830m.) to Cr.9.5bn. ($790m.), but there is no indication that the Serra dos Carajas project will be affected. CVRD's ore exports for this year are expected to show a marginal increase of about 1 per cent. to 48m. tons.

...ndo-Soviet oil deal ...a major breakthrough'

...Y K. K. SHARMA NEW DELHI, Dec. 20.

... major concession to India, ...ia to-day agreed to consider ...lying crude oil to this coun...

The initial indication is ... 5.5m. tonnes will be supplied ...e next four years, of which ... tonnes will be supplied in ...

...is was indicated by the ...et Deputy Foreign Trade ...ster, Mr. Grishin, when talks ...e annual trade plan for next ... began. The supplies will ...ade against rupees and thus ... valuable foreign exchange ... India, probably more than ...needed for the higher prices ... OPEC crude.

...dia has been seeking Soviet ...e for many years without ...ess, although kerosene and ...el are imported under the ...al trade plan. The break...ugh is seen as a major de...pment in Indo-Soviet co...ation.

...return India has offered ...supply next year 400,000 ...es of pig iron and steel ...cturals worth about Rs.800m. ... items are in excess produc... here. The two countries ... pledged to double into ...et trade by 1980. With crude ...ing into the picture the ...bling could be achieved next ... itself. One of the main ...culties in expanding trade ... been the difficulty in finding ...value items to import from ...sia to match exports from India, but crude and steel should end this problem.

India's trade with Russia is conducted on the basis of annual trade plans within the framework of a long-term trade treaty which is valid up to 1980. The present annual trade turnover is Rs.8.2bn.

Shipbuilding talks to-day

TOKYO, Dec. 20.

A THREE-MAN delegation from the EEC has arrived for two-day Government level talks on shipbuilding, Government sources said.

They said that Japan and the EEC will make another attempt to patch up their shipbuilding dispute when talks with the team, headed by Josephus Loeff, Deputy Director of the EEC Commission's Industrial Technological Affairs Bureau, start here to-morrow. The talks were originally scheduled to have started to-day.

Senior Government sources said that Japan remains likely to reject an EEC proposal that it share shipbuilding export markets with West European shipbuilding nations over the next two years.

Reuter

Romania seen as major U.K. market

BY DAVID LASCELLES, EUROPE CORRESPONDENT

A BRITISH trade mission to Romania has concluded that it is one of the most promising countries in East Europe from the business point of view.

The secretary of the East European Trade Council, Mr. Anthony Hore, who led the mission said. "Romania could be the Poland of the future." In 1970 Poland embarked on a massive industrial investment programme which led to large orders for western capital equipment.

In a confidential report, the Council expressed the view that Romania is genuinely interested in substantially improving its trade relations with Britain, despite recent complaints about the quality and price of Romanian goods.

The country's new five year plan offers opportunities in the metal, engineering, automobile, and food processing industries, and nuclear power. But the Romanians also insist in the further development of buy-back trade.

On textiles and footwear which have been the subject of dumping charges in Britain, the Romanians said that import restrictions had made life difficult. Romania wanted to maximise its foreign exchange earnings on the British market, but British importers kept on forcing prices down.

Romania also pointed out that it imports a large part of its textile industry's primary materials from Britain. No less than 40 per cent. of the Romanian footwear industry's import requirements were met from British sources. In 1977, Romania also planned to double its fibre purchases from Britain to a value of $10-$15m.

There were also excellent prospects for suppliers of spinning, weaving and knitting machinery, garment-making, footwear and glassware equipment and machinery for making leather and household articles. But these could only be paid for by selling the products of this equipment.

The Romanians also complained about the publicity the British Press had given to faults in railway engines recently delivered to British Rail. They claimed that far worse faults had been found in imports of British equipment.

On the balance of payments, the mission learnt that Romania's harvest, though good this year, had not been outstanding enough to improve the overall payments position.

The mission concluded that a shortage of purchasing power would be a brake on the development of trade relations, especially since Romania's most attractive exports were confined to textiles chemicals and agricultural products, which had already become traditional.

But Mr. Hore said that an imaginative approach by British companies and a willingness to consider joint projects in third countries could produce some new answers.

Chemical investment

By Michael Van Os

AMSTERDAM, Dec. 20.

Oxirane Chemie (Nederland), the Dutch subsidiary of the U.S. chemical company, has said in Rotterdam that it intends to gradually raise the annual production capacity of its propene-oxide plant in Europoort from 180,000 tons to 360,000 tons.

The company said that the doubling of the capacity would require investments totalling Fls.300m. and to about two and a half years to complete.

● Mackintosh, a leading Dutch ready made clothing manufacturer, has said that it has received a contract from the Soviet authorities to assist in the construction of a clothing factory in Moscow.

The company is to supply the technical know-how and it is also co-operating commercially with the Russians for a five-year period.

£20m. U.K. loan for Kenya

NATIONAL Westminster Bank has signed a financial agreement with Mumias Sugar Company of Kenya, which provides for a loan backed by the Export Credits Guarantee Department of £19.7m. to the company to finance a contract for the extension of a sugar factory at Mumias.

Under the contract Fletcher and Stewart of Derby will have responsibility for supplying, installing and constructing the plant, equipment and buildings required to raise the capacity of the factory from 125 tons to 300 tons of cane per hour.

The factory, which was built by Fletcher and Stewart and started operations in 1973, is currently producing 60,000 tons of sugar a year. The latest expansion will enable production to be increased to 156,000 tons a year by 1981.

Abwood exports

In three months Abwood Machine Tools has received grinding machine orders for export totalling some £600,000. The orders placed include U.S. £450,000, Singapore £75,000 and Australia £40,000. Deliveries are scheduled over the next eight months.

Plant for Qatar

Costain Process Engineering and Construction has signed a contract worth about £9m. to erect an ammonia plant at Umm Said for the Qatar Fertiliser Company under a 100 per cent. capacity expansion programme.

$200m. order

General Electric has received a contract worth over $200m. to supply a boiling water reactor nuclear steam supply system and turbine generator for a 970,000 kW nuclear power plant being built near Santander, North Spain for Electra de Viesgo.

Rigs for Pakistan

Pakistan's state-owned Oil and Gas Development Corporation has announced plans to purchase four oil rigs in the U.S. at a total cost of $18m. The rigs will be used for onshore exploration.

Canadian clothing curbs reconsidered

BY VICTOR MACKIE OTTAWA, Dec. 20.

CANADIAN EMERGENCY import regulations curbing clothing imports, which have been eased as they apply to high fashion and speciality items and in other respects are now being re-assessed in the light of the changes.

The changes in import restrictions which were first imposed on November 29 were made public last week. Since the import curbs were announced restricting clothing imports into Canada in 1977 to the levels of imports of 1975, there has been a flood of protests to the Government and in Hong Kong, which will be seriously affected.

However, the Canadian textile and garment industries have described his action as "helpful" in averting a major crisis facing the industry because of spiralling imports, and increasing competition.

"The measures, however, have created hardship for some of those engaged in the importation, distribution and retail trades," said Mr. Jean Chretin, the Industry, Trade and Commerce Minister. Accordingly he moved to alleviate the hardships in some cases.

He has taken specific action to deal with problems posed by Canadian firms selling high fashion and speciality items. He has established a special review committee under the Textile and Clothing Board to determine eligibility of individual import permit applications in this category.

He has also instructed that in allocating import quota entitlements generally on the basis of 1975 imports, 90 per cent. only should be accorded on the basis of 1975 performance. This would leave an unallocated amount which could be used to deal with special hardship cases.

Such cases will be referred to a specially constituted committee within his department which will be responsible for advising on individual hardship applications. The textile and consumer products branch of the Department of Industry, Trade and Commerce is the contact point for all such applications, he said.

He is also asking the committee to consider a limited degree of inter-changeability of permits among the various categories of clothing under control when necessary in order to respond to market changes.

Some importers have claimed they should be permitted to allow the completion of import business transactions on the basis of letters of credit or equivalent commitments made prior to November 29.

"The programme I have announced goes some way in meeting this problem by allowing for importation of goods in transit as of midnight November 29 and up to the level of import allocations based on imports in 1975."

ICI joint venture agreed

BY RHYS DAVID, CHEMICALS CORRESPONDENT

ICI and Montedison, the Italian chemicals company, have now reached agreement on the setting-up of a joint company to operate the H Acid dyestuffs intermediates plant, currently being built by ICI at Stevenston, Ayrshire.

Under the joint venture, discussion which where announced last month, Montedison will be taking a 50 per cent. share through ACNA, a subsidiary of its industrial products division.

Each of the two companies will be entitled to half the output of 4,000 tonnes a year from the plant, which is scheduled for completion in the summer of 1977. Operation of the plant will be carried out by ICI staff on behalf of both companies, and ACNA will be represented on the plant management team.

...Tanzania orders Land Rovers at £1.2m.

...FINANCIAL TIMES REPORTER

...THIN days of the opening ...its new commercial vehicle ...nt in Kenya, British Ley...d has received an order ...m Tanzania for 300 Land ...vers worth about £1.2m.

The order comes at the time ... a fierce behind-the-scenes ...uggle between a wide range ... international commercial ...icle manufacturers for the ...nzanian market.

The Government is thought to be considering a plan to standardise on a set number of marques in order to rationalise the product range within the country. Following that there is a possibility of establishing local manufacturing plants on the lines of the one which Leyland has opened at Thika in Kenya using a large percentage of local components.

Leyland's new Land Rover order therefore comes at a critical point for the company. The deal also demonstrates that the Land Rover stands a good chance of becoming the standard four-wheel-drive cross country vehicle in Tanzania despite the challenge of the Toyota Landcruiser.

...ORLD VEHICLE MARKETS

Going back to Africa

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

A GUSTY, rain-spattered ...in Kenya last week, British ...and opened its most ...ortant new company in black ...ca for many years. Presi... Kenyatta attended, presid... over a two-hour ceremony ...ibal dances and nationalistic ...s outside a sparkling new ...ry which is already ...atching Land-Rovers and ...ks containing far more ...yan materials and labour ... anything produced before. ...as a ceremony which demon...ted unequivocally Leyland's ...rmination to swim with the ... towards local African ...ufacturing.

...erating in the developing ...d to-day presents peculiar ... problems to motor com...es. The markets themselves ... usually small, and highly ...mented. Quite often they ... governed by unstable ...mes and subject to such ...ly oscillating economic ...unes that it is rarely possible ...redict clear financial returns ...nvestment. Yet, despite these ...ertain economic factors, ...t developing countries want ...e investment from the manu...uring companies, and a ...ter degree of local labour ... components in the finished ...luct.

...n the face of it, these are ...romising conditions for any ...or manufacturer. In the old ...s they exported direct from ...r home base, took their profit ... limited their risk. They are ... being asked to risk much ...e, and, in effect, to transfer ...r own technology to another ...ket which could, in theory, ...n to be independent or even ...mpetitor.

...eyland's arguments for ...mmodating these new ...onalistic forces go some...g like this. In the first place, ... Mr. David Andrews, man...g. director of the Interna...al Group, there is little point ... fighting against the quite ...ral ambition of the develop... countries to use the motor ...istry as a catalyst for indus...l change and development. ...y need to switch to local ...ufacturing in order to in...se employment, save foreign ...ange, and develop the technical skills on which growth depends. A plant like the one at Thika in Kenya, apart from employing 350 men on its own, will spawn ancillary employment in battery manufacturing, trim production, and so on.

Second, these overseas companies have enormous potential for growth—more in the long term, perhaps, than developed areas like Europe. Kenya has been growing at the rate of 7 per cent. a year, and there are big possibilities for the future. Thika's, for example, could double output from 4,000 to 8,000 units a year by adding a second shift. Nigerian demand for vehicles has exploded so fast that plans for a Leyland factory there have already been doubled from a 6,000 a year capacity to 12,000.

Third, although these markets are small in themselves, they add up in total to a very large amount of business. For example, most of Leyland's sites in the developing world to-day are on the basis of local assembly of "knocked-down" kits—bolting together products made wholly in the U.K. This business accounts for 80 per cent. of commercial vehicle exports, and a total of 240,000 vehicles in all—about a quarter of Leyland's total output.

Fourth, the parent manufacturer can maintain a stake and income from these investments because of its technical and management expertise; Leyland, for example, has a renewable management contract at Thika for the next 10 years.

The risk, of course, is that the parent company gradually loses control and income from overseas. Leyland, for example, has conceded a 55 per cent. share of the equity in its Kenyan plant to the Government and other local interests, and it has a similar minority interest in its planned new Nigerian manufacturing company.

But for the next 20 years or so there should be a continuity of interest in black Africa because of the manufacturing logic of maintaining links between the home and overseas operations.

This is because some of the basic components in a motor vehicle can only be made cheaply with mass production techniques. Kenya on its own could not make engines, gearboxes and axles at anything close to an economic world price, however cheap its labour costs; on the other hand, it makes sense to shift manufacturing of some less complex components, as well as body assembly and final assembly work, close to the point of sale because these processes are so labour intensive.

For car production, the rationale of splitting output in this way is not so clear-cut. In the longer term, however, there will be opportunities for profitable car enterprises. Thus companies like Leyland are playing for large long-term stakes in the car market when establishing commercial vehicle manufacturing facilities.

The opportunity for Leyland to develop healthy business relationships in Africa undoubtedly exists because of its strength in utilitarian commercial vehicles and, above all, its all-purpose, cross-country Land-Rover and Range-Rover models.

Despite the challenge from the Toyota Landcruiser and plans for a new jointly produced Mercedes, Steyr-Daimler-Puch cross-country vehicle, the Land-Rover remains the single most sought-after model in the developing world. It is largely due to this product that Leyland now has a strong position in Africa, turning over more than £100m. and making profits of almost £6m.

The Land-Rover is also a key marketing tool for Leyland, a product which gives the company an entry into many varied markets. Angola, for instance, which might now be expected to look towards Eastern Europe for more of its needs, is currently talking about an order for 2,000 Land Rovers; Tanzania has just ordered 300, and Zaire, Zambia and Malawi are all strongly committed to the product. This is why it is so important for Leyland to move ahead with its planned expansion of Land and Range-Rover production next year.

HOME NEWS

Newsprint users threaten boycott

BY MAX WILKINSON, INDUSTRIAL STAFF

BRITISH NEWSPRINT users have warned Canadian and Scandinavian manufacturers that they will boycott supplies in the new year unless recently-announced price increases are modified.

The newsprint users, which include national and provincial papers, are directing the main force of their campaign against Canadian suppliers, who, they claim, are asking for an increase which is not warranted by recent currency changes.

The U.K. Newsprint Users' Association claims that the foreign suppliers which provide about two-thirds of the industry's requirements, are operating a cartel. Now that world demand for newsprint is slack, they say they see an opportunity to break it.

Mr. Peter Hetherington, Finance Director of Beaverbrook Newspapers, publishers of the Daily Express, said the industry could last for about two months on stocks and the output of British newsprint manufacturers.

"If the worst comes to the worst, we are prepared to consider stopping publication, rather than pay the new prices."

The price increase, which comes in on January 1, is £40 a tonne for 45 gramme newsprint. The rise was announced first by Canadian suppliers, who were quickly followed by the Scandinavians

The suppliers' argument is that devaluation of the pound since August has made an increase essential if they are not to sustain a loss.

But Mr. Hetherington said the Canadian dollar had scarcely fallen compared with the pound in the period under review. Devaluation of the Swedish Kroner against the pound, on the other hand, would justify a price increase of about £31 a tonne, he said.

The Association has strongly objected to a clause in the new price proposal which would give suppliers an automatic increase, if the pound fell below $US1.55.

Mr. Hetherington said this would mean that if the Swedes were to devalue, thus making their newsprint potentially cheaper in Britain, they might nevertheless be able to insist on a price increase by invoking the dollar clause.

At present, the U.K.'s total usage of newsprint is about 1.2m. tonnes, of which about 400,000 tonnes is supplied from British mills. Of the imports, about 550,000 tonnes comes from Scandinavia and 250,000 tonnes from Canada.

The British users say that in a truly competitive market they would be able to buy all their requirements from one or other source.

Yesterday's tough stand by the newsprint users came after a strong denial from the suppliers that they are operating a cartel. They say that it is essential for each supplier to charge the same price in the U.K. if he wants to remain competitive.

● The duty-free quota of newsprint imports for the U.K. has been fixed in Brussels at 700,000 tonnes in 1977, the same as for last year.

Exchange rate targets likely, says bank

Financial Times Reporter

EXCHANGE RATE targets, informally agreed between the central banks of the Group of Ten industrial countries, may be a feature of next year, it is argued in the latest issue of the Amex Bank Review.

"The anxiety that currency depreciation may undermine domestic goals is common at the level of international policy—even though theorists dispute how far a vicious circle of currency depreciations leading to inflation is possible," says the bank.

Current account deficits for the weaker European countries provided a serious threat to currency stability next year, especially as West Germany and Japan would remain at least in current account balance.

There was already a trend back towards concerted intervention, even though the practical question of whether exchange rate manipulation could be successful was unresolved.

For the U.K., funding the sterling balances was a subtle form of exchange rate intervention which appeared to have received support, in principle, from the International Monetary Fund.

Way clear for Kodak to market instant cameras

BY IAN HARGREAVES, INDUSTRIAL STAFF

KODAK yesterday won another round in its battle against Polaroid over the marketing of instant-picture cameras and films in Britain.

Polaroid was refused permission by the Lords to appeal against a Court of Appeal ruling last month which said that Kodak could proceed with the marketing of its products pending the outcome of a patent infringement action.

Polaroid had been granted a High Court injunction in August preventing Kodak from introducing its instant photography range, but will now have to await the outcome of the patents case, whose likely duration is variously estimated at between two and 10 years.

Kodak said last night: "The way is now clear for the manufacture, sale and supply in the United Kingdom of Kodak products for instant photography. We're delighted with the decision."

The decision finally removes the closure threat from Kodak's Stevenage factory and will enable the company to proceed more quickly with its development of a 550-acre site at Annesley, Nottinghamshire, which is expected to generate eventually about 4,000 new jobs.

Co-operative offered machinery

A WORKERS' co-operative planned for a Grantham, Lincolnshire, factory due to close has been offered £5,000-worth of machinery by Sir Arthur Knight, chairman of Courtaulds.

A hundred and sixty people are due to be made redundant when the Wolsey knitwear factory at Grantham, which is owned by Courtaulds, closes next month.

Now 40 women are planning to form the co-operative and Sir Arthur has agreed to help, offering to lend the group £3,000-worth of machinery in addition to the equipment he will give them outright.

One of the women behind the co-operative said they were thrilled by Sir Arthur's offer and hoped to prevent as many people as possible having to go on the dole.

Oil companies forced to trim petrol price increases

BY RAY DAFTER, ENERGY CORRESPONDENT

OIL COMPANIES have been forced to trim petrol price increases for fear of incurring a backlash from motorists.

The industry in general is putting up the wholesale price of petrol by only 1p a gallon, although it has justified to the Price Commission a much bigger increase.

Several companies had intended adding between 2p and 3p a gallon to the pump prices but it was felt that the market—still extremely competitive—would not bear such a rise.

The tone of the new price increases—the fourth this year—was set at the week-end by Esso, one of the market leaders. It announced a 1p a gallon increase in wholesale prices, leading to a rise of about 1½p a gallon at the pumps to take account of Value Added Tax and adjustments in dealer margins.

British Petroleum and Mobil yesterday announced similar increases, to take effect from to-day, although Shell, another of the majors, said it was still considering the question of petrol prices.

This summer, Shell surprised the oil industry by pegging prices at a time of general increases.

In view of the competitive pressures in the petrol market, discount offers in parts of the U.K. might well conceal the extent of this latest round of increases.

According to the Institute of Petroleum, the representative retail price of four star petrol, before this latest round of increases, was 82p a gallon.

The industry is adjusting the price of all oil products except for domestic premium quality paraffin which is subject to special price control.

In general, product prices — other than for petrol—are being raised by between 2p and 3.5p per gallon. Esso, Shell and BP are each increasing the price of light fuel oil by 2p per gallon; increases for medium and heavy grade fuel oil will be 2p (Esso and Shell) and 1.8p (BP).

Details of other increases as announced:

Esso — autodiesel (wholesale, agency and consumer credit), aircraft fuel (AVTUR), regular paraffin, tractor vaporising oil, and gas oil, up 2.5p a gallon; AVGAS aircraft fuel, up 3p a gallon.

Shell—Derv, standard burning oil (kerosene), gas oil, and aviation kerosene, up 2.5p a gallon; aviation gasolene, up 3.4p a gallon.

BP—Derv gas oil and standard kerosene (domestic heating), up 2.5p a gallon.

Mobil—Derv, up 2.5p a gallon. Other details have not yet been published, although the average across-the-barrel increase is just under 2p a gallon.

The companies pointed out that the adjustments largely reflected the fall in the value of the pound against the U.S. dollar.

The impact of the crude oil price rises, agreed by the Organisation of Petroleum Exporting Countries last week, will not be felt in the products sector until about February next year.

Esso stated that, as a result of OPEC, further increases in consumer prices were to be expected.

BP forms animal feed unit to promote sales

BY RHYS DAVID, CHEMICALS CORRESPONDENT

BRITISH PETROLEUM is to create a new organisation bringing together its diversified operations in animal nutrition in a bid to secure further growth in its share of the European market.

BP has been involved in the animal feedingstuffs field since 1959 when its scientists began work in France on the development of single cell proteins using yeast to turn hydrocarbons into a potential food source.

The company has in recent years also acquired a number of animal feedingstuffs concerns in Britain, Ireland, Germany, France and Holland to give it a position in the market-place and now has a turnover in nutrition products of more than £100m.

Under the restructuring a new company BP Nutrition will have overall responsibility for both areas of diversification. BP Nutrition Europe will co-ordinate the group's European animal feed operations and promote their expansion.

Mining News Page 18

Tyneside Metro decision likely this week

BY ALAN PIKE AND IAN HARGREAVES

AN ANNOUNCEMENT on the future of the £176m. Tyneside Metro scheme is expected this week, following the decision to set up a working party under TUC guidance to decide who should drive the system's trams.

The working party idea was the outcome of a meeting of unions most directly involved—including the three rail unions and the Transport and General Workers' Union. It was chaired by Mr. Len Murrey, TUC general secretary.

Opposition by members of the train drivers' union, the Associated Society of Locomotive Engineers and Firemen, to TGWU members having a share of driving jobs has been a major hurdle to Mr. Rodgers, Transport Secretary, being able to recommend continuation of the project to Cabinet.

The TGWU is demanding some of the jobs, not only because some of its bus members will be displaced by Metro, but to ensure representation on the joint Board which will run it.

Detailed talks between the unions on the joint working party are expected to begin next month and the TUC will stand by to offer assistance if difficulties arise. ASLEF members on Tyneside recently called off a blacking campaign against the metro pending further talks on the manning issue but the problem is still a sensitive one.

Mr. Rodgers is expected to take the issue to Cabinet committee this week, although it remains uncertain whether he will speak for or against continuation.

Since October he has extracted from Tyne and Wear County Council, British Rail and the unions a series of important assurances about the metro's operation, but he has remained less than satisfied with the response from the union side.

Whether the new role taken by the TUC will be seen as sufficient guarantee against a future outbreak of the inter-union strife which has bedevilled the project in its construction stage remains to be seen. Mr. Rodgers is believed to be personally inclined towards the scheme, against considerable opposition from within his own Department.

If the project is cancelled, there will be a write-off of around £70m., it is estimated. A further possibility, taking into account public spending pressures, could be to put the scheme on ice, deferring the 1980 opening date.

Mr. Michael Campbell, leader of the Tyne and Wear Council, said yesterday he was encour[aged] by the constructive outcom[e of] the meeting under Mr. Murr[ay's] chairmanship.

● In London, plans for a dr[iver]less mini-tram service betw[een] Croydon and New Addin[gton] have been ruled out by Greater London Council's s[...] area Board on the ground[s of] cost.

A £25,000 survey, carried [out] by a consortium of consult[ants] and council officials, arrive[d at] the conclusion that it w[ould] cost £32m. to build the five-[...] system—£1,000 for every [resi]dent in New Addington.

The study confirmed [the] hypothesis that mini-trams w[ould] generate extra demand and [be] cheaper to operate than [the] present bus system, but [con]cluded that there were insu[ffici]ent people travelling in the [...] to justify such capital expe[ndi]ture.

Instead of the mini-tram, [the] Board favours an extensior [of] the present bus-only lanes [at a] cost of £220,000.

Mrs. Lilias Gillies, Board c[hair]man, said the mini-tram s[tudy] had been worthwhile in sho[wing] that rapid transport syst[ems] could, in different economic [and] physical circumstances, pro[vide] a solution to congestion p[rob]lems.

New talks to settle dispute ove[r] Post Office plan to cut orders

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

MINISTERS WILL to-day make a second attempt to settle a dispute over the Post Office's plan to cut its exchange equipment orders by £220m.—almost a third—over the next three years. Re-affirmation of Government support for the Post Office plan could activate plans for a reduction in private sector employment by up to 15,000 during the next two or three years.

The Post Office's main equipment suppliers—GEC, Plessey, and Standard Telephones and Cables—fear that the jobs would have to cut by late 1978, starting within a few months. The Post Office's estimate is less dramatic, for a 10,000 reduction starting in 1978 and lasting well into 1979.

To-day's talks at the Department of Industry are effectively the second half of a meeting which was held on November 15, under the chairmanship of Mr. Eric Varley, Secretary for Industry, a week after the cuts were first announced. The other main participants were from the P.O., its suppliers, and trade unions on both sides.

Argument at that session centred on whether the Post Office's new system of matching telephone exchange capacity to traffic levels was more reliable than its previous methods, on which its original ordering [fore]casts had been based.

Since then, the Post Offic[e has] explained the new syster[m in] more detail to its suppliers [and] the manufacturing trade un[ions] who are expected to-day to [con]centrate on the issue of wh[ether] such swingeing cuts shou[ld be] made over such a short p[eriod].

State 'should develop regional airports'

BY IAN HARGREAVES, INDUSTRIAL STAFF

THE GOVERNMENT should provide funds for the development of regional airports to ease the pressure on London, says a report from the planning policy and resources and transport committees of the Greater London Council.

The report, which is the committee's response to part two of the Government's consultation document on airport strategy for Great Britain, will be considered by the council to-morrow.

It generally welcomes the Government document and says there is a case for re-directing some traffic destined for places close to regional airports.

For example, it suggests that visitors on foreign-operated air package tours which include visits to places outside London could make either their inward or outward journey throu[gh a] regional airport.

It stresses, however, th[at] traffic with an origin or de[stina]tion in the South East shou[ld be] diverted from London and [...] the scope for diversions [is] limited unless extra charge[s or] inconvenience are impose[d on] London area passengers.

● British Airways said y[ester]day that an extra 50 flights [are] being operated this Christ[mas to] destinations like Nice, [...] and Palma to cope with [last-]minute rush. Extra do[mestic] flights to Belfast and Dubl[in are] also being scheduled.

A spokesman said: "[...] numbers of visitors are al[...]ing in to London to take [advan]tage of favourable exc[hange] rates for their Christmas [shop]ping."

Unit trust repurchases down £6m. in Novembe[r]

BY CHRISTOPHER HILL

UNIT TRUST repurchases fell by £6m. to £10.5m. during November—a welcome surprise to many unit trust groups.

With sales at £22m. (slightly higher than the £21.6m. of October), lower repurchases meant that net new investment more than doubled from £5m. to £11.4m., but this was still considerably less than the £14.6m. achieved in November 1975.

Unit trust managers, rarely at a loss to explain higher sales figures, are finding it more difficult to suggest why repurchases should have been lower at a time when the trend might have been the other way.

Mr. Tim Simon, chairman of the Unit Trusts Association thought it might just be a statistical quirk, perhaps partially due to the distorting effects of several unitisations of private companies in pr[evious] months.

His view was shared [by] Cholmeley Messer, of Sa[ve &] Prosper, who felt that the[re was] no obvious reason for a [...] resurgence of confidence [...] Harry Littlefair, of [...] Hambro, however, though[t that] by November, unitholder[s had] got over the near-pan[ic of] October and were favo[urably] impressed by the better s[...] the U.K. market.

The FT All Share Inde[x rose] by around 5 per cent. [in] November.

For the first 11 months [of the] year, the total value of s[ales] £309m. exceeded that f[or the] same period of last [year] (£298m.). Total repurcha[ses over] the period, though, were [up from] £119m. to £155m., leavi[ng] new investment substa[ntially] down from £179m. to £15[...]

Assurance from platform yard

HIGHLAND FABRICATORS, the Nigg-based oil platform construction yard, has told the Government that, in spite of diversification plans, it is anxious to remain part of the platform building industry.

At a meeting with Dr. Dickson Mabon, Minister of State for Energy, a delegation from the Nigg yard emphasised that diversification was not intended to take the place of platform construction.

Trade union members of the delegation gave the Minister an assurance that the order for the Ninian Field central platform would be completed on time, as would any future orders. The yard wanted to be giv[en the] opportunity to compet[e for] future work.

The delegation, to the [Depart]ment of Energy in [...] followed a series of simila[r meet]ings between Minister[s and] representatives of othe[r plat]form constructors. Th[e] representatives said that [with] equal opportunities the[y were] confident that the success [of the] yard could be assured.

Dr. Mabon said he e[xpected] orders for two or thre[e plat]forms to be placed nex[t year.] Nigg was well placed to [win] one of them. Howeve[r, the] Department was not d[irecting] work to any particular [yard.]

SNOW REPORTS

	Depth (cms.) L	Depth (cms.) U	State of Piste	Weather	°C
Champery	15	100	Icy	Fine	−3
South facing slopes icy.					
Avoriaz	120	200	Fair	Fine	1
Lower slopes becoming icy.					
Crans-Montana	110	170	Good	Fine	−1
All runs open.					
Flaine	50	130	Good	Fine	1
Powder on north slopes.					
Seefeld	45	80	Fair	Fine	4
Bare patches appearing.					
Val d'Isere	60	160	Good	Fine	−2
Excellent ski-ing conditions.					
Verbier	50	150	Good	Fine	1
Excellent ski-ing most runs.					
Wengen	32	70	Good	Fine	−1
Excellent ski-ing conditions.					
NORWAY					
Lillehammer	90	118	Good	—	−5
Oslo	75	80	Good	—	−5

The above snow reports were supplied by representatives of the Ski Club of Great Britain.

	Depth (cms.) L	Depth (cms.) U	State of Piste	W[eather]
AUSTRIA				
Kitzbuhel	60	140	Good	
St. Anton	60	140	Good	
FRANCE				
Chamonix	90	120	Hard	
Courchevel	45	130	Hard	
ITALY				
Cervinia	170	300	Good	
Cortina	15	90	Fair	

SCOTLAND

Cairngorms: Main runs—a[...]plete but narrow, all others [...] Lower—limited nursery areas. [...] runs—1,000 ft. Snow level—[...]

Glenshee: Main runs—most [...] Lower—ample nursery areas. [...] snow on a hard base. Vertic[al ...] 1,000 ft. Snow level—2,000 ft.

Glencoe: Main runs—most [...] Lower—ample nursery areas [...] snow on a hard base. Vertic[al ...] 1,000 ft. Snow level—1,000 ft.

هكذا منه الأصل

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Ocean Inchcape – offshore supply services
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Straits Steamship – S. E. Asia shipping services

On land

Wm Cory – fuel distribution and lighterage
Cory Distribution – High Street distribution
McGregor Cory Europe – European road transport
McGregor Cory Cargo Services – warehousing and freight forwarding
Straits Steamship – engineering and property

In the air

McGregor Swire Air Services – international airfreight forwarding

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The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

Calls made at touch of button

A NEW telephone automatic dialling instrument has been developed by Pye TMC for the Post Office. The first order for 2,000 units has recently been received.

Key Callmaker (as Pye calls it) provides storage for up to 48 most-frequently called telephone numbers, each of which can be up to 21 digits in length. It is particularly useful for storing long international numbers.

Storing the pre-determined number is easily effected by the subscriber, using the keypad provided which can also be used for calling numbers not held in the memory store. Internal and external numbers can be stored.

Dialling any one of the stored numbers is achieved automatically by pressing one key only, however many digits there are in the number. Each stored number is identified by the called party's name visibly printed on the appropriate key.

A further time-saving facility is the "try-again" key which enables numbers previously manually dialled out, and unobtainable, to be re-called any number of times by pressing one key only. The last manually dialled number is held in the store until a new number is dialled out.

An integral part of the Key Callmaker is the "waiting amplifier" coupled to a loudspeaker which, in conjunction with the automatic dial tone detection facility, provide the caller with an audible signal thus enabling the progress of the call to be monitored without lifting the handset. This facility also permits the keypad calls to be made without lifting the handset.

Established calls can be transferred back to the waiting amplifier for example when waiting for an engaged extension on the PABX to become free. Direct connection to PABX extension is possible by storing the one or two access digits preceding the stored telephone number.

Pye TMC, Martell Road, Dulwich SE21 8EF (01 670 2211).

No need to get out of the bath

WANDERPHONE describes a cordless telephone handset which can be used in business and industrial premises, and even the home, provided the user does not move further than 300 feet from the unit's base, which feeds the signal into the PO networks.

It has no trailing wires or aerial and the base would normally be set up close to a convenient power point. Outgoing calls are made and incoming calls received in the normal way and when the unit is not in use it would be plugged into an adaptor on its base unit to recharge the cadmium cells which power it. During re-charging, the Wanderphone still works as a normal extension.

Charged life would be about 80 hours at rest or 5½ hours' continuous conversation.

The unit is expensive, but could be justified in many offices where senior staff work under heavy pressure. It is a foretaste of things to come since Motorola is working on a "go-anywhere" telephone handset which users would simply carry around with them.

Its general use, however, will demand some massive changes to the equipment and the attitudes of PTT authorities, even in the U.S.

Further on the Wanderphone from Collins and Company, 1 Formosa Street, London W9 1EE.

● CONSTRUCTION

High rise window problems

HIGH RISE buildings pose particularly difficult problems when it comes to keeping clean the acres of windows they require: operating from cradles and/or long ladders does not come cheap.

To help solve this problem, Blacknell Buildings has brought out a series of horizontal pivot windows which should make the maintenance problem very much simpler.

Timberplast series windows are gasket glazed and have white pvc coated frames. Friction hinges are fitted to aid in the control of opening and closing and there are additional locking devices to aid in cleaning either side of the glass from the inside.

The sub-frame has foam weather stripping to eliminate cold-bridging. All windows have a night ventilator with fly screen mesh.

These groups of pivot windows has been tested by Paisley College of Technology and shown to pass BS DD4: 1971 as suitable to withstand severe exposure to air infiltration and water penetration.

Further from Blacknell at Westmead, Farnborough, Hants. 0252 44333.

● ELECTRONICS

Relays have no contacts

A NUMBER of solid state relays manufactured by the U.S. parent have been introduced into the U.K. by Gentech International. They supplement an existing range of switching devices which include reed relays, mercury wetted, and moulded types.

There are seven items in the range all of which have an input controlling circuit which is TTL/DTL compatible. Characteristics can suit a wide range of applications from traffic light control to computers.

A typical example is the GB12000, a completely solid state heavy duty power controller consisting of a triac AC power switch controlled by a photo-coupler which provides isolation up to 3,750 volts RMS. The light source is energised by an external control input of three to 32 V DC which is current limited to 12 mA.

The device is able to handle inductive, capacitive or tungsten filament loads with their high instantaneous voltage and current, as well as heavy resistive loads.

Other items the range make use of a triac switched by a reed relay: an example is the GB2000 which has a maximum turn-on time of 1.5 milliseconds input/output isolation of up to 3750 V RMS and an operating temperature from −25 to +80 deg. C.

All the units are enclosed in a rugged nylon housing designed to withstand severe shock and vibration with measurements of only 1.5 x 1.5 x 1.9 ins. Working with most AC mains supplies, current ratings are from 10 to 25 amps at 60 deg. C base plate operating temperature.

A free book describing the application of solid state relays in general is available which is also a catalogue of the company's products. From Grangestone Industrial Estate, Girvan, Ayrshire, KA26 9PS (Girvan 3561).

● COMPUTING

Simplifies hard copy

HARD-COPY from Versatec electrostatic plotters and printer-plotters is available using a video-compatible controller.

More than 20 Versatecs can be used with the controller, providing a choice of plotting speed, width and resolution, which can be used in conjunction with the existing range of computer controllers. These are available for most machines — from small PDPs and Novas to big IBM 360 and 370s.

The video controller translates digital video signals into raster data to produce hard copy for alphanumeric or graphic displays without the need for software.

Because the controller receives video signals directly from source, hard copy is produced without going through a monitor or CRT screen, allowing reproduction of video at remote locations. An optional "expansion" feature increases a plotted image size by two, three or four times. In addition, the video samples may be expanded by non-integer multiples (greater than 2) to fill the plotter width.

Sintron Electronics, 1-4 Arkwright Road, Reading. 0734 55464.

Big discs for data

DATA General has introduced two models of disc pack storage for large amounts of data to be used with Nova and Eclipse computers.

They have capacities of 96m. characters and 192m. characters. Data is transferred at 806,000 characters per second. Multiple units can be connected to an Eclipse computer for a total capacity of over 1.5bn. characters. The company expects the new units to be used primarily in large data base and multi-programming applications built around the Eclipse C/330 and S/230 computers.

With the introduction of these two units, Data General now makes all of its own memory elements, from magnetic cores to magnetic tape storage and large disc-type storage devices.

Data General on 01-578 9231.

● TEXTILES

Complex patterns woven fast

MOST FABRIC woven in the world is of a fairly simple construction, either being a plain or twill weave, but there is still a demand for the more sophisticated constructions such as the small designs obtainable by either tappet or dobby motions, or the very much more complex and bigger designs woven by means of Jacquard mechanisms and punched cards.

However, the Jacquard machine is largely confined to slower looms as the complexity of the system is such that to run at the speeds of modern high-speed weaving machines of say 400-plus picks per minute is beyond their capabilities.

It could be that, as a result of a technical development by a British narrow fabrics looms builder, these limitations might well be overcome. Modern narrow fabric, or ribbon looms, are able to run at speeds of, say 2,000 to 3,000 picks per minute and now the British builder Bonas Machine Company, (Pallion Industrial Estate, Sunderland, tel. 0783-57281) has introduced a Jacquard called the Mini Jaq which allows patterning to take place at speeds in the range of 1,200-2,000 ppm.

The system used is mechanical, does not use electronics and has the appeal that it can be used with normal standard punched paper control.

The development, reports Bonas, is simple and relatively inexpensive. Eventually it could open the way for possible application on wider looms as used in weaving apparel and furnishing fabrics. Already there is considerable interest in the idea being expressed by other builders of Jacquards throughout the world.

The Mini Jaq operates across 32 hooks, but this can be doubled up to operate up to two ends per tape, thus allowing a symmetrical design to be woven across 64 ends of warp yarns. The entire mechanism occupies a mere 30 cubic cms.

With this new development warp Jacquard patterns which, until now, have been beyond the scope of high speed needle looms can be woven at a very high speed and it could open the way for a completely new breakthrough in the production of patterned narrow fabrics at low cost.

The British company is internationally recognised as a leader in the design and production of high speed looms of this class and with this new device British technology is clearly well in advance of competitors.

It means that within the width of fabric noted above, any length of design can be woven into a fabric at extremely high speeds. If the Mini Jaq can be further developed—and there would appear to be no serious problems in this respect—it could very well open up the prospect of high speed Jacquard weaving on all manner of looms. At the moment, however, the Mini Jaq is being offered for use on the Bonas Varitex 2/65 looms which produce two ribbons per loom in reed widths between 45 and 65 mm.

● SECURITY AND SAFETY

False alarm problem reduced

ACCORDING TO some data received from YTA of Bristol the burglar alarm industry, preoccupied with increasingly sophisticated methods of detecting the presence of criminals, has rather overlooked the serious problem of false alarms.

The company says that during 1975 nearly 158,000 direct alarm calls from offices, shops and warehouses were received by the Metropolitan Police and only 285 of them were genuine. False alarms amounted to a staggering 98 per cent. of the total.

Managing director Mr. K. Tillinghast says that he already knows of two police forces that will shortly announce new standards of alarm system control; he believes that unless installed equipment meets the requirements it is possible that alarms will be ignored by the police.

To reduce further waste of police time YTA says it has developed security control panels that could reduce the figure in the Metropolitan area by about 30 per cent.

This degree of improvement can be achieved states YTA simply by preventing incorrect setting or misoperation of the control panel.

So, apart from designing equipment with high immunity to mains voltage spikes or surges (itself a cause of false alarms) the company has incorporated two fool-proof anti-false alarm inhibit circuits in the range of five control panels that it supplies.

First of these operates when the alarm circuit is switched on. If the system is not "healthy" the control panel alarm lamp will be lit, but the alarm condition itself is inhibited. This eliminates one of the principal false alarm situations and gives the operator a chance to check the detection circuits.

The other condition the company is seeking to prevent will be familiar to anyone who walks through a shopping street just after closing time: frequently alarm bells can be heard ringing. This is because the proprietor is leaving the premises, has thrown the lock/pass switch on the exit door but has not properly secured the premises in some way.

Two things might then happen: if there is a direct line to the local police station they will be alerted, or alternatively a member of the public rings the police.

In fact, the public has now become aware that alarm bells ringing at 5.45 p.m. do not mean anything and passers by usually take no action. This time of day has therefore become increasingly popular with criminals.

The second circuit on the YTA panel ensures that the access security route circuit is healthy. At the point of switching on the alarm circuit an access route buzzer sounds and continues until the shunt lock/pass switch of the exit door is thrown. If then the alarm circuit is not in order the buzzer continues, but no general alrm is sounded. More from the company at Swineford Mill, Bitton, Bristol. (027 588 2707).

Cloud height measured

CLOUD-BASE measurement by ASEA's ceilometer from 10 to 1,500 metres (30 to 5,000 feet) with a resolution accuracy of the order of ± 5metres is possible with standard equipment and the unit will provide linear or non-linear chart recording presentation for better observation of low cloud height, where necessary.

The equipment is being promoted as an essential safety aid on oil platforms, where vital helicopter services call for accurate knowledge of cloud height, sometimes at short notice. Two cloud ceilometers are already on order for installation in the near future on oil drilling platforms in the North Sea.

Meanwhile, the growth of automatic weather stations with central computer assessment and data logging has brought in its train a requirement for cloud-height measuring equipment of a design which can be relied upon to operate in unattended locations with service intervals of several years.

The ASEA unit caters for ambient temperatures from minus 40 degrees, as in the Swedish Arctic, to plus 50 degrees centigrade in environments such as open desert locations in the Middle East.

Laser output from the gallium arsenide laser diode used to find cloud height is well within current international safety standards. ASEA, Villiers House, 41 Strand, London WC2. 01-930 8411.

● SERVICES

Boards in half the tim[e]

Quartech is offering a pr[inted] circuit board design service [par]ticularly suited to double-[sided] printed circuit boards with [pack]ing densities of about 1 [inte]grated circuit/square inc[h of] board area. A mixture of dis[crete] and integrated components [can] be accommodated, as we[ll as] special package shapes.

Three levels of service [are] offered, giving delivery tim[es of] 3 weeks, 10 days and in sp[ecial] circumstances, 72 hours. The [cost] of the design may be calculat[ed in] advance by the customer [as it is a figure] that is directly related to [the] number of components on [the] board.

The customer can opt t[o re]ceive a full-size photoplotte[d] master, plus documentatio[n or] manufactured printed c[ircuit] boards if required.

It is thought the service [will] approximately halve design [time] at a cost comparable to alt[erna]tive methods.

Quartech Design and Dev[elop]ment, 19 Andover Place, Lo[ndon] NW6 5ED.

● LIGHTING

Telescope mast for lighting

COMPACT ENOUGH to [be] stowed in crash tenders, engines, estate cars, etc., a [port]able lighting unit, incorpor[ating] a 2kVA power pack, has [been] developed by Bermotor, 21, [Lon]don Road, Tunbridge [Wells,] Kent (0892 37588), a Re[...] Engine Development Group [com]pany.

Called the Giraffe 200 [it] weighs 145 lbs, and mea[sures] 4 feet 4½ inches by 1 foot 3 i[nches] by 1 foot 11 inches high. [The] mast, which is pneumatical[ly ex]tended by a hand pump [can] reach 16 feet 8 inches, [and] carries two 1kW tungsten ha[logen] floodlights.

Standard power is by a [con]tinuous duty, four-stroke, [single] air cooled Bernard engine[;] options include paraffin, pr[...] or diesel engines.

If the unit is required t[o pro]vide power for tools, two [...] tungsten halogen floodlight[s can] be fitted, leaving 1kW [...] available from two 13A soc[kets].

BOND DRAWING

CITY OF BERLIN 6% (NOW 4½%) STERLING LOAN 1927

NOTICE IS HEREBY GIVEN that in carrying out the operation of the Sinking Fund of 1st January, 1977, in respect of the above Loan, Bonds for £720 have been purchased and the under-mentioned Bonds amounting to £49,760 were this day drawn by lot by Edwin Bruce Walker (of Messrs. De Pinna, Scorers & John Venn), Notary Public, for repayment at par on the 1st January, 1977, from which all interest thereon will cease:—

9 Bonds for £1,000 each

125	128	188	209	258	311	321	339	379

32 Bonds for £500 each

741	743	854	859	873	884	886	918	942	981
1112	1127	1142	1193	1251	1316	1319	1339	1353	1357
1423	1458	1534	1547	1546	1577	1621	1630	1651	1656
1665	1725								

242 Bonds for £100 each

2337	2345	2384	2582	3057	3250	3342	3364	3372	3374
3397	3413	3415	3445	3694	3830	3848	3881	3885	3886
3914	3977	4022	4043	4145	4157	4158	4164	4465	4169
4173	4189	4190	4217	4225	4228	4265	4276	4302	4409
4410	4414	4462	4594	4645	4646	4922	4954	5002	5079
5081	5207	5216	5285	5301	5461	5473	5477	5490	5494
5525	5529	5568	5587	5625	5638	5640	5678	5689	5702
5731	5750	5770	5772	5819	5890	5913	5960	6031	6105
6113	6122	6131	6153	6192	6223	6237	6313	6345	6351
6374	6403	6438	6442	6443	6494	6518	6520	6522	6563
6583	6584	6588	6590	6614	6641	6771	6812	6816	6825
6845	6880	6875	6876	6890	6894	6924	6945	6982	7006
7030	7135	7217	7235	7289	7374	7375	7377	7415	7549
7565	7603	7620	7629	7630	7641	7692	7747	7749	7755
7806	7807	7816	7817	7842	7864	7870	7868	7893	7994
8000	8004	8043	8053	8143	8160	8176	8212	8262	8339
8378	8411	8466	8480	8486	8527	8530	8531	8549	8607
8610	8659	8674	8739	8742	8746	8765	8831	8836	8858
8905	8924	8976	9012	9036	9087	9136	9190	9233	9301
9303	9334	9335	9350	9399	9605	9624	9645	9704	9715
9718	9754	9796	9814	9836	9868	9891	9895	9902	9903
9943	9972	9999	10072	10081	10111	10122	10167	10346	10373
10407	10515	10566	10668	10975	11109	11155	11629	11641	11839
12171	12280	12350	12393	12440	12444	12492	12504	13062	13404
13611	14083								

28 Bonds for £20 each

14407	14704	15104	15128	15157	15181	15186	15222	15259	15307
15320	15421	15425	15426	15479	15512	15514	15521	15568	15572
15612	15693	15694	15698	15716	15739	15766	15908		

RECAPITULATION

9 Bonds for £1,000 each	£ 9,000
32 Bonds for £ 500 each	£16,000
242 Bonds for £ 100 each	£24,200
28 Bonds for £ 20 each	£ 560
	£49,760

The above-mentioned Bonds with coupons due 1st July, 1977, attached may be lodged for repayment on or after 4th January, 1977, at the office of J. Henry Schroder Wagg & Co. Limited, Coupon Department, 120, Cheapside, London, E.C.2, between the hours of ten and two o'clock.

London,
14th December, 1976.

ENTERTAINMENT GUIDE (Cont'd.)

THEATRES

WHITEHALL. 930 6692-7765. Evgs. 8.0. Sat. 6.0, 8.45. Wed. 3 (Dec. 27: 5 & 8) BRIAN RIX "MARVELLOUS COMIC." Evening News. [illegible]

CINEMAS

ODEON, Leicester Square. (930 6111) THE PINK PANTHER STRIKES AGAIN (U). Sep. progs Dly 14.30, 2.30, 5.30, 8.30. Seats bkble by post or at box office for Mon-Fri 8.30 prog and Sat [illegible]

LEGAL NOTICES

No. 004694 of 1976
In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of RONRIDGE LIMITED and in the Matter of The Companies Act, 1948.
NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the [illegible]

HOME NEWS

Record autumn turnover by major auction houses

BY ANTONY THORNCROFT

[TH]E MAJOR London fine art [gr]oups have had a very good [st]art to their 1976-77 season. [So]theby's announced yesterday [tha]t its net turnover in the [pe]riod between September 1 and [Ch]ristmas would be £43m. com[par]ed with £33m. in the same [mo]nths of 1975; Christie's man[age]d a 33.4 per cent. jump to [£1]2m., while Phillips, giving [fig]ures for the whole of 1976, [rea]ched a 36.5 per cent. gain to [£1]1m.

[I]n all cases the auction houses are reporting record results, [sug]gesting that the 10 per cent. [buy]er's premium introduced by [Sot]heby's and Christie's (but not Phillips) in the autumn of [197]5 has not scared away busi[nes]s from London.

[T]he results from Sotheby [Par]ke Bernet, the largest auction [hou]ses in the world, confirm the [fac]t that its New York saleroom [is c]atching up on London. Turn[ove]r in London was higher, at [£2]6m., thanks to the week of [Im]pressionist and Modern Art [wh]ich totalled £4.8m., a record, [but] the U.S. and Canada were [not] far behind with £17.3m.

[S]otheby's other overseas opera[tion]s are still way back, Zurich contributing £2.7m., Amsterdam £2.5m., Hong Kong £1.5m., and Florence £0.5m.

The improvement in turnover for all three salerooms was remarkably similar, and all were way ahead of inflation. Christie's attributes the improvement to higher sales in London (up from £10.4m. to £14.2m.), referring to the growth in foreign buying in the U.K. stimulated by the fall of sterling and the increasing cheapness of prices here.

It also points out that it held more auctions, up from 271 to 303. Christie's is more U.K. dominated (although it is negotiating to buy an auction house in New York). Its overseas sales contributed only £6.2m., still a gain of more than £1m. on the same period in 1975.

Much of the buying in London is by overseas dealers, but then so is much of the selling, emphasising the city's continuing dominance in international art circles. Christie's estimates that 60 per cent. of its lots sold came from abroad, and at the Sotheby's Impressionist sale 70 per cent. of the total derived from overseas assignments.

Phillips had a very good year, and the 39 per cent. rise in turnover in the autumn period suggests that its decision not to impose a buyers' premium is paying off. During the year Phillips acquired Jollys in Bath and opened its new custom built auction room at Phillips West 2. ROBSON LOWE International, the London stamp auctioneer, reports a record 97 per cent. increase in turnover to £2.2m. for the half-season September 1 to December 16.

The figure covers stamp auctions in London, Bournemouth, Basle, Bermuda and Milan.

Total group turnover, including auctions in Melbourne and private treaty sales was more than £2.4m.

The company says that some of its best sales included ones in Milan (£365,000), Basle (£630,000) and a £243,000 dispersal of Hawaiian and British West Indian stamps in Bermuda.

One of the key prices this autumn was the £9000—triple the world record—paid for a 1661 letter asking that the reply be sent to "Love Lane, neare Billingsgate."

In 1938 Robson Lowe sold this letter for £36.

'Literary papers worth £1m.'

By Michael Thompson-Noel

[Es]timates of the value of the [tr]easure chest (right) of early [19t]h century literary papers [dis]covered in a London bank [vau]lt were inching towards [£1]m. yesterday.

[T]he discovery of the papers, [wh]ich include an original [By]ron manuscript and possibly [hi]therto unknown poems by [Sh]elley, was made at Barclays [Ba]nk in Pall Mall.

"It is a major literary find [of] incredible proportions, and [qu]ite astonishing," said Mr. [Pet]er Davids, head of the manu[scr]ipt department at Sotheby's [wh]ich sold the manuscript of [By]ron's poem Beppo for [£5]6,000 earlier this year.

The papers include an [ori]ginal manuscript of Byron's [Ch]ilde Harold's Pilgrimage, an [ea]rly manuscript of Shelley's [Hy]mn to Intellectual Beauty, [an] early version of his Mont [Bl]anc and two possibly un[pub]lished poems.

[I]nitial estimates of the value [of t]he hoard were first put at [£2]50,000 to £500,000. But Mr. [Ma]rtin Davies, a Bristol [sol]icitor, who is descended [fro]m the brother of the man [who] deposited the papers at [the] bank, the Rev. Scrope [Dav]ies, claimed yesterday that [the] papers may be worth £1m.

[S]crope Davies, who fled [to] the Continent in 1820 to [esc]ape his creditors, had nine [chil]dren, it is thought that the [cha]nces of any of his descen[dan]ts establishing an authori[tat]ive claim to the treasure is [rem]ote.

[A]ll the papers are being lent [by] Barclays to the British [Lib]rary.

Apart from Lord Byron's manuscript of Childe Harold's Pilgrimage, the find includes a fair copy of The Prisoner of Chillon with amendments in Byron's handwriting.

A mass of correspondence from the poets and other members of their circle—Thomas Moore, Augusta Leigh, Lady Caroline Lamb, John Cam Hobhouse and Charles Skinner Matthews—throws new light on Byron's life and depicts Scrope Davies as Byron's closest friend and confidant.

Other papers include betting slips, bills and promissory notes. There is also a sequence of letters from a midshipman who accompanied Napoleon to St. Helena.

A Barclays director said yesterday that the treasure chest was in a "frightful jumble" and that it would take scholars years to complete their examination of it.

The bank added: "Owing to the number of generations in the family that have elapsed since 1852 (when Scrope Davies died intestate in Paris), it will be an extremely difficult job to prove ownership but the rights of ownership are protected by the loan arrangement with the British Library."

Inquiry likely on Fife oil project

Scotland have warned that a long and wide-ranging public inquiry is likely to be held into the proposals by Shell and Esso to set up a petro-chemical complex in Fife. Members of the local authorities concerned may also visit Sweden to inspect the only comparable development.

Detailed planning applications from the oil companies for a gas separation unit and a related ethylene plant at Moss Morran near Auchtertool are expected to come before the planning authorities on January 10.

Sir George Sharp, Fife region convenor said yesterday, however: "There will be a fair number of searching questions. We are all particularly concerned about the possible effect on the environment. We have to be reassured that any development makes the minimum impact, consistent with the provision of job opportunity in the area."

The measure of the local authority's responsibility to the public was such that the project would have to be examined from every possible angle.

Fife region is to employ international experts, Cremer and Warner of London, as independent consultants, but Mr. James Dunlop, chief executive, warned the policy and resources committee that it might be four months before their report was completed.

The committee agreed it would not add its support to the applications until the consultants' report had been received.

Emigration of managers 'will grow'

By Our Industrial Staff

BRITISH industrial managers are being put at a severe disadvantage, compared with managers in other industrialised countries, by the slow growth of the economy and the combined effect of the progressive tax structure, inflation and pay limits, which are designed to protect the lower paid.

According to a provisional inter-departmental report instigated by Sir Peter Carey, Permanent Secretary at the Department of Industry, these factors are decreasing the chances that industry will be able to recruit and keep more able people.

The report suggests that the emigration of managers is likely to increase. Those seeking the greater rewards offered by employment abroad are exactly the British managers that should be kept in Britain, says the report.

The study has been produced by a working party—including officials from the Industry Department, the Treasury, the Training Services Agency, the Department of Employment and the Central Policy Review Staff—established to look at the problems facing industrial management.

No final report has yet been written by the working party and no decision made on the manner of any publication.

The provisional report says several developments are disquieting and underlines the need for more adequate financial incentives for those in industry willing to take responsibility and risk.

The Government is urged to pay close attention to the needs of managers when the next phase of the incomes policy is framed, and impress on union members that the ability to keep and attract good managers is in their own interests.

Oxford St. shop rents up 600%

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

[RE]NTS in London's Oxford [Stre]et have increased by more [than] 600 per cent. during the [las]t 10 years as the fashion [sho]ps have taken over sites once [occ]upied by service shops, a [sur]vey published by the estate [agen]ts, Hillier Parker May and [Row]den showed yesterday.

[Te]n years ago a standard shop [unit] near Oxford Circus cost [abou]t £14,000 a year to rent. [Tod]ay the same shop could be [let] for £90,000, the report says. [In] the same period shops' rents [thro]ughout the country have slightly more than doubled.

Oxford Street is without doubt Europe's premier shopping street, Hillier Parker concludes, with 4m. gross square feet of retailing space. Its sales have grown faster than those in other British cities in spite of the movement of the population away from London. Outside Oxford Street, the picture has been fairly static, but Oxford Street itself "shows every sign of health."

The survey shows how the mix of traders in Oxford Street has changed during the last decade. Gone are the rainwear shops, the cleaners, and the lost property shops. In their place have come the fashion shops.

Women's fashion shops dominate the street, with 25 new ones opened since 1966 bringing the total to 65. There are now 43 menswear shops—an increase of 11 on 1966—and 37 shoe shops.

One of the biggest growth sectors has been employment agencies. To-day there are 13 agencies in Oxford Street against four in 1966. The other major development has been the shopping arcades. Ten years ago there were none of these centres where several shops trade under one roof, but to-day there are five.

Tories expect to lose support on devolution

BY OUR SCOTTISH CORRESPONDENT

THE CONSERVATIVE Party expects to lose support in Scotland as the result of the confusion over its policy on devolution. But Mr. Teddy Taylor, Shadow Scottish spokesman, said yesterday that he expected the setback to be only temporary.

An opinion poll published in the Glasgow Herald, but taken before last week's debate on devolution in Parliament, gives the Conservatives the support of 35 per cent. of Scottish electors, with 32 per cent. for the Scottish National Party and only 24 per cent. for Labour.

The figures confirm a general trend noticeable in other polls over the past few months.

Mr. Taylor, a former strong opponent of devolution within the party, is now uneasily shouldering the Conservative commitment to a directly-elected Assembly for Scotland.

He said in Edinburgh that a future Tory Government would have more pressing problems to deal with, such as unemployment, inflation, and making the country solvent, before coming to its own proposals for giving Scotland more say on domestic affairs.

The Government's plans, contained in the Scotland and Wales Bill, were bad and there would be a surprisingly high vote against them during the referendum as people realised what they would mean in terms of extra bureaucracy and expense.

The Tory Party would seek to change them by making them less costly, removing the proposed separate executive for Scotland and making the Scottish Assembly a third chamber of Westminster.

Mr. Norman Buchan, Labour MP for West Renfrewshire, said yesterday that any referendum should be binding on Parliament and should ask two questions: one on devolution and the other on independence.

The second question was vital if the Assembly was to be given the chance to work properly.

The preliminary agenda for the conference of the Scottish Council of the Labour Party to be held next March contains strong attacks on Government economic policy from constituency parties.

But the major unions are united in their criticism and confine their resolutions to demands for selective import controls and increases in the job creation and training programmes.

LABOUR NEWS

Union effort to solve Rubery Owen dispute

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

A NEW initiative to solve the dispute at Rubery Owen components plant was launched yesterday by trade union leaders.

The company has warned the 2,700 workers at the Darlaston factory that closure will be considered unless normal production is resumed by January 4.

The latest dispute centres on 60 electricians staging a sit-in in pursuit of payment lost during an earlier strike.

Mr. Brian Mathers, regional secretary of the Transport and General Workers Union, hopes to get together the three unions at the plant under the aegis of the Confederation of Shipbuilding and Engineering Unions.

The Amalgamated Union of Engineering Workers attended a meeting with management last Friday, but the Electrical and Plumbing Trades Union failed to turn up. If the management concedes the electricians' demands, another 1,900 manual workers will immediately lodge similar claims.

The Rubery Owen pay structure, which is riddled with anomalies, has led to a continuous stream of disputes over the past nine months, and the present pay policy makes it impossible for management to take a significant initiative in sorting the mess.

Mr. David Owen, managing director of the Rubery Owen holding company, which is one of Britain's largest privately-owned concerns, has made it clear that the group could continue without the Darlaston factory.

Should the company pull out, pressures would be on the Government to find a rescue package to ensure continuity of supplies to the vehicle industry. Darlaston supplies a wide range of components, including petrol tanks, wheels, and axles, to most of the major vehicle assemblers.

Leyland Cars is only now recovering from a three-weeks' strike by maintenance men at Rubery Owen. Darlaston output has slumped to only 25 per cent. of scheduled levels in the wake of the electricians' action.

Without an early settlement, production at Leyland Cars will again be at risk.

At Leyland Cars Canley plant, at Coventry, a walk-out by 700 workers halted production of the Triumph Stag, Spitfire, and Dolomite models. Another 400 employees were laid off.

Unions agreed to resume work last night after the suspension of a dismissal notice on a worker alleged to have been off the premises after clocking in.

NUBE plan to recruit on stock exchanges

By David Churchill, Labour Staff

PLANS are being drawn up by the National Union of Bank Employees to expand membership outside its traditional banking base by recruiting staff on the London and provincial stock exchanges.

The union has already held informal talks with the management of the London stock exchange on whether it can recruit some 700 clerical staff employed directly by the exchange.

NUBE has long-term aims of eventually recruiting several thousand clerical and junior management staff in more than 250 stockbroking firms in London and the rest of the U.K.

Already, the union has reached agreement to represent clerical staff employed by a small stockbroking firm in Manchester, Pilling and Trippier.

NUBE's decision to boost its 102,000 membership by recruiting on the stock exchanges follows an existing agreement whereby it negotiates for the London stock exchange's technical and messenger staffs.

Mr. Leif Mills, NUBE general secretary, said yesterday it was a logical step to extend their membership into the technical grades.

But NUBE is also considering new areas of recruitment because of the difficulties it is facing in the clearing banks over its continuing battle with the staff associations.

NUBE, however, is confident that it will eventually reconcile its differences with the staff associations with the help of the Advisory, Conciliation and Arbitration Service.

The union's attempt to recruit on the stock exchange will depend on how far it can persuade management to accept its claim for recruiting the staff, or whether the Stock Exchange Council would prefer a staff association to be set up.

NUBE's expansion plans could also run foul of similar ambitions by the Association of Scientific, Technical and Managerial Staffs which is also keen to recruit white-collar staff in the finance sector.

Stoppage by radio journalists

By Alan Pike, Labour Staff

JOURNALISTS WORKING on all BBC local radio stations are being told by the National Union of Journalists executive to stage a 24-hour stoppage to-morrow in support of colleagues at BBC Radio Sheffield.

A strike by 13 NUJ members at Radio Sheffield over the use of non-journalistic staff is now in its second week. Journalists are objecting to the use of a local greengrocer and teacher to cover football matches. The stoppage began after the suspension of a producer for refusing, on the instruction of his NUJ chapel (office section), to handle sports copy.

Both of the contributors to whom NUJ members are objecting have joined the Association of Broadcasting Staff, but the NUJ denies that the dispute is part of a campaign to establish a closed shop in local radio. The ABS argues that local radio relies on local communities and has a tradition of using part-time freelances.

Journalists on BBC Radio London yesterday expressed their "misgivings" about the wisdom of to-morrow's one-day strike and said that they would not support it in the absence of a meeting of all local radio chapels to discuss the situation.

It is possible that there will be a similar reaction at some other stations, although the NUJ says that the executive decision to call the strike followed soundings of opinion among local radio members.

The executive has agreed to increase the strike pay of its members at Sheffield from £10 to £20 per week.

Employers back call for pay flexibility

THREE EMPLOYERS' organisations have joined the General and Municipal Workers' Union in calling for flexibility in future pay policies and a return to genuine collective bargaining.

Agreements between the union and the organisations cover 60,000 rubber workers, 14,000 glass workers and 20,000 paintmakers. Discussions will take place with chemical employers in the hope of producing a similar statement covering another 160,000 people.

The statement reflects the concern of employers at not being able to reward extra skill and effort. They are particularly keen that future collective bargaining should allow genuine productivity deals.

Many unions are under pressure from craftsmen who have found that pay restraint has narrowed traditional differentials.

The British Rubber Manufacturers' Association, the Association of Glass Container Manufacturers and the Paintmakers' Association have agreed with the union in its call.

They see it as a contribution to the debate on whether the social contract should be continued when the present pay policy runs out next July.

Mr. David Warburton, the GMWU's national industrial officer for the chemicals, rubber and glass group, said: "Our wage structures are negotiated at local level in these industries, but the £6 increase and the new criteria have played havoc with such arrangements.

"It is crucial for us to have flexibility in the chemical industry, too, because we must meet the technological changes quickly. This can only be achieved with relevant negotiation on productive payment systems."

Ballot rejects Labour's finance sector plan

BY OUR LABOUR STAFF

A BALLOT of some insurance company staff associations has disclosed an overwhelming rejection of the Labour Party's plans for nationalisation of the finance sector.

The ballot, organised by the Confederation of Employee Organisations on behalf of 12 staff associations, found that almost 94 per cent. of nearly 30,000 voters were against the nationalisation plans.

The confederation has passed the results of the ballot to the Prime Minister with a statement that it would be against the Government's declared intention of improving industrial democracy if it allowed nationalisation to go ahead after the ballot result.

The Association of Scientific, Technical and Managerial Staffs, the main TUC-affiliated union in the insurance sector, is to hold a special conference of its insurance group early in February to determine the union's policy towards nationalisation.

ASTMS abstained from the issue at both the TUC and Labour Party conferences this year.

Strike threat to 230 pubs

MORE THAN 230 West Midlands public houses may be closed by a strike throughout Christmas and New Year.

Managers of Mitchell and Butler houses who belong to the white-collar section of the Transport and General Workers Union, will be on strike indefinitely, union official Mr. Terry Austin said.

They are angry over what they regard as delay by the brewery in meeting their demand for bargaining rights which managers in another union, the National Association of Licensed House Managers, already enjoy.

APPOINTMENTS

Senior changes at Royal Dutch Petroleum

The Supervisory Board and the Board of Management of ROYAL DUTCH PETROLEUM COMPANY states that Mr. G. A. Wagner, president of the company, will retire on June 30. Mr. Wagner became a managing director of the company in 1964 and in 1971 he was appointed president. With effect from the same date, the Supervisory Board has appointed Mr. D. de Bruyne president. Mr. de Bruyne has been a director of the company since July, 1974. It is intended to propose to the general meeting on May 12, that Mr. Wagner be appointed a member of the Supervisory Board from July 1 and that Mr. L. C. van Wachem be appointed a managing director from that date. After his appointment to managing director, Mr. van Wachem will also become managing director of the Royal Dutch/Shell Group of companies, that is, a member of the Presidium of the Board of Management of Shell Petroleum NV and a managing director of Shell Petroleum Company.

*

Mr. Geoffrey P. Dutton, Mr. Bryan W. Norman, Mr. James Todd and Lord Tryon have been appointed executive directors of LAZARD BROTHERS AND CO. from January 1. Sir Campbell Adamson will become a director from that date.

*

Mr. William Mann, an Australian who is at present chairman of Unilever Australia (Pty), will be proposed for election as a director of UNILEVER LIMITED and N.V. at the annual meetings in May, 1977. On that date Dr. John Collingwood, head of Unilever Research, will retire from the Board. Lord Trenchard, who is co-ordinator of Unilever's meat products companies, is to resign from the Board in 1977 to devote more time to other activities. Lord Trenchard will be available to Unilever for his advice in those areas where he has special knowledge for two years after his retirement from the Board.

*

Mr. Sam Chippindale will be retiring from the Board of TOWN AND CITY PROPERTIES on December 31. He will remain as a part-time consultant to the company.

*

Mr. Karl Ruge and Mr. Ian Cruickshank are retiring as executive directors of LEOPOLD JOSEPH AND SONS at the end of this year. Mr. Ruge will remain as a non-executive director until March 31. Mr. Cruickshank's responsibilities as director in charge of banking services (sterling and currency) will be taken over by Mr. Norman Bennett who joined the Bank in July of this year.

Sir Kenneth Barrington will retire from the Board of MORGAN GRENFELL HOLDINGS at the end of the year. On January 1 he will join Morgan Grenfell's Advisory Council. From the same date, Mr. C. M. J. Whittington has been appointed a director of Morgan Grenfell Holdings and Mr. S. T. Badger, Mr. P. H. G. Cadbury and Mr. J. G. Stanford have been made directors of Morgan Grenfell and Co.

Other appointments are Morgan Grenfell International, Mr. A. F. Hohler, a director; Morgan Grenfell and Co., Mr. A. H. F. Bartlett, Mr. R. W. Churchill, Mr. A. H. Dunn, Mr. P. M. Sullivan and Mr. K. J. Whinney, senior assistant directors, Mr. M. Cannell, Mr. Hildesley, Mr. G. A. F. Lickley, Mr. R. W. Jones, Mr. B. J. Mayers, Mr. J. Q. Davies, Mr. P. I. Espenhahn, Mr. D. P. Gallagher, Mr. M. E. Hillesley, Mr. R. G. Lloyd, Mr. I. C. Marris, Mr. D. J. O'Reilly, Mr. J. B. Rawlings, Mr. R. G. Scrivens and Mr. R. W. Warner, assistant directors.

*

The following appointments have been made to the Board of CORNING. Mr. Duncan T. McNaughton, finance director; Mr. Philip Lannigan, managing director of the laboratory division; and Mr. J. Arthur Brown, marketing director of Corning Electronics, formerly Electrosil.

*

Mr. P. S. MacCallum, who is retiring from active business, will relinquish his appointment as managing director of CORY SHIP TOWAGE (CLYDE) on December 31 but will remain on the Board as a non-executive director. Mr. J. F. Stirling will be appointed a director and manager on January 1.

*

Mr. Denis W. Culver, group sales director of MARTINI AND ROSSI, has also been appointed group marketing director.

*

Mr. John Bean, chief finance officer of NORTHAMPTON DEVELOPMENT CORPORATION, has been appointed general manager to succeed Dr. John Weston who retires in May. Dr. Weston has been the corporation's general manager since it was set up in 1968.

*

Mr. R. R. Parnell and Mr. P. C. Conway have been appointed joint managing directors of FAY INTERNATIONAL, following the retirement of the managing director Mr. F. M. Freedman.

The ASSOCIATED PORTLAND CEMENT MANUFACTURERS, the Blue Circle Group, has set up four operating divisions to manage the U.K. cement activities, the non-cement business, the overseas activities, and the technical services of the group. Chief executives of each division are Mr. John Duthie, Blue Circle Cement; Mr. Thomas Chesterfield, Blue Circle Enterprises; Dr. Gordon Marshall, Blue Circle International; and Mr. David Stirling, Blue Circle Technical. The changes take effect on January 1.

*

Professor D. N. Dilks and Professor G. R. Elton are to be members of the ADVISORY COUNCIL ON PUBLIC RECORDS in place of Lord Bullock and Professor A. G. Dickens who retired from the Council at the end of the year.

*

The Committee of the LLOYD'S UNDERWRITERS NON-MARINE ASSOCIATION for 1977 will be: Mr. C. H. A. Skey (chairman), Mr. W. N. M. Lawrence (deputy chairman), Mr. M. S. Freeman (honorary treasurer), Mr. R. Ballantyne, Mr. F. Barber, Mr. D. J. Earham, Mr. M. Cockell, Mr. P. L. Foden-Pattinson, Mr. A. B. Gray, Mr. D. E. Harman, Mr. E. E. Nelson, Mr. H. R. Rokeby-Johnson, Mr. E. C. Street-Porter and Mr. J. R. S. Wace.

*

Mr. Russell Henderson is to become managing director of HONEYWELL INFORMATION SYSTEMS from January 1. He will succeed Mr. Steve Jerritts, who has been appointed vice-president of the company's Minneapolis headquarters product management operation, from that date.

*

Mr. J. R. Crane, an executive director of IMPERIAL METAL INDUSTRIES, is to become assistant managing director next March in place of Dr. W. H. G. Lake who is retiring. Mr. D. V. Ayres, at present managing director of Yorkshire Imperial Metals, an IMI company, has been appointed an executive director of IMI from January 1.

*

Mr. T. S. Redman and Mr. T. J. W. Bridge have been appointed directors of GREENE KING AND SONS from January 1. Mr. J. H. A. Clarke is to retire from the Board at the end of this month.

*

Mr. George A. Hannah is resigning from the Board of PEGSON at the end of this month having acted in a consultative capacity for the last three years prior to which he was managing director for 19 years. Mr. Hannah will continue with his research work at Loughborough University, and in a private capacity as consulting mechanical engineer.

*

Mr. N. J. Courtney has become a director of Courtney Pope Limited and Mr. P. M. Juniper has been made a director of Osters and Fleming. Both concerns are members of the shopfitting division of COURTNEY POPE (HOLDINGS).

*

The Council of BRITISH CERAMIC SANITARYWARE MANUFACTURERS has appointed Mr. H. F. H. Barclay, chairman and chief executive of Twyfords, as its chairman for 1977. Mr. Kennedy Campbell, chairman of Armitage Shanks, has become vice-chairman of CBCSM.

*

Mr. Hans Lawrin is to become managing director of TOR LINE AB, the North Sea cargo and passenger shipping operator and Swedish parent company of Tor Line Limited of Immingham. He is rejoining the company on January 1 and will assume the post of managing director by April 1. Mr. Laurin was previously managing director of Tor Line AB from 1966-71 and takes over from Mr. Christer Salen. Mr. Salen was appointed managing director of Tor Line AB in 1971, at that time succeeding Mr. Laurin who left to become managing director of the Gotaverken shipyard, also part of the Salen shipping interests.

*

Mr. Kerry St. Johnston is to resign as a non-executive director of OCEAN TRANSPORT AND TRADING on December 31. Mr. St. Johnston is taking up an appointment as president and chief executive of Private Investment Company for Asia of Singapore.

*

Mr. George Cooper chairman of NORTH THAMES REGION and a part-time member of the BRITISH GAS CORPORATION will be retiring on March 31.

*

Mr. C. T. Hackett, vice-president and general manager for GB of the IMPERIAL LIFE ASSURANCE COMPANY OF CANADA, retires at the end of the month. He will be succeeded as vice-president and general manager by Mr. J. A. Kempton, the company's assistant general manager.

*

Mr. N. G. Lancaster, founder chairman and managing director of WOLSELEY-HUGHES, has retired from the Board.

PARLIAMENT

Credit law to operate next year

PEOPLE WILL be able to find out early next year what credit agencies know about them—but may not see what is on record about other people. Mr. John Fraser, Minister of State, Prices and Consumer Protection, told the Commons yesterday.

Mr. Fraser said he would be bringing into operation the part of the Consumer Credit Act dealing with credit reference agencies and extortionate bargains. The part of the Act setting out content and method of calculating total credit charges would be made effective at the same time.

Mr Fraser said the second round of licensing in the industry would also start early in the New Year, and later, the restrictions on advertising and seeking business would be brought in.

Asked by Mr. Michael Ward (Lab., Peterborough) about access to credit reference agencies' files, Mr. Fraser said. "Broadly speaking, people will be able to get information about themselves, except where access to the file might bring before the individual information about other people."

Hospital verdict promised

A DECISION on the future of the controversial Royal Liverpool teaching hospital, still uncompleted in the city centre, will be announced in the Commons later this week. This assurance was given by Mr. David Ennals, Secretary for Social Services, after he had visited the site of the 800-bed multi-storey hospital yesterday. Mr. Ennals said he was in no doubt about the advantages of proceeding with the hospital if possible but the cost presented considerable obstruction.

When the hospital was first envisaged in 1943, it was estimated to cost £2m. The present estimate is that it will cost £56m. when it is completed in 1978, six years behind schedule because of prolonged industrial and financial problems.

Bread down by 8½p. promise denied

BY JOHN HUNT

MR. ROY HATTERSLEY, Prices Secretary, denied in the Commons yesterday that he had said the price of a loaf of bread would come down by 8.5p as a result of his decision last week to remove the limit on the 22½ per cent. discount which bakers give to their biggest customers, such as supermarkets.

Under strong attack from Conservatives and Liberals during question time, he said that it would be up to the operation of the market to arrive at a correct price for bread.

He would not forecast what the reduction would be. In some areas and in some shops, bread would be cheaper than it otherwise would have been.

Mr Hattersley also told his critics that nothing would give him greater pleasure than to remove price controls from bread altogether but the industry had told him they did not want this.

Mr. Clement Freud (L. Isle of Ely) wondered why Mr. Hattersley had told consumers there would be 8½p off a loaf when it was untrue. Mr. Freud said that such a move would ruin all the smaller bakers and would cause strikes that we could well do without.

The Secretary of State replied that neither he nor anyone in his department had promised a 8½p reduction. But he had said it would mean that from January 3, bread would be cheaper than it would otherwise have been.

He conceded, however, that the figure of 8½p had appeared on a sliding scale produced by his Department. Such a figure had to be included because the table covered a wide range of possibilities.

Mrs. Sally Oppenheim, shadow Prices Secretary, told him: "It is an extraordinary coincidence that every single news commentator has come up with the figure of 8½p. You have the unique distinction of having alienated both the baking and retailing side of the bread industry, having caused major confrontation between two unions, and having deceived consumers.

"As a result of your high-handed and arrogant way of dealing with this matter, you will go into the next round of pay negotiations as the Minister who is not trusted by the industry, not trusted by the unions and not trusted by consumers."

There were shouts of "How much?" from the Opposition when Mr. Hattersley declared "It will be cheaper according to the way the market operates. As you and Professor Milton Friedman understand, one cannot predict the operation of the market."

Not satisfied with this explanation, the Conservatives pressed him to say at exactly what price the housewife could expect to purchase a large loaf in a supermarket early in 1977.

Mr. Hattersley argued that his announcement last week had been a withdrawal of Government intervention from the bread market. "If the bread industry as a whole wants it. I have made it clear to them that nothing would give me greater pleasure than to withdraw altogether. I am told by the industry that they don't want such a policy.

"I have improved the aspects of competition within the industry. Since it is competition which will determine prices, it is not possible for me to predict what it will be."

He added that if Mr. Theo Curtis, chairman of the Federation of Bakers, asked him to remove all controls from the bread industry he would do so. However, said Mr. Hattersley caustically, the difficulty was that the most quoted people in the present controversy were those who were most vocal in wanting the Prices Department to continue operating in the bread industry.

Labour agents remain hostile

By Rupert Cornwell, Lobby Staff

LABOUR'S EFFORTS to reconcile its full-time constituency agents to the appointment of Mr. Andy Bevan as national youth officer got off to a bad start yesterday at a Transport House meeting called by the party's general secretary, Mr. Ron Hayward.

The discussions between Mr. Hayward, Mr. John Chalmers, National Executive Committee chairman; and Mr. Arthur Clare, secretary of the agents' union, the National Union of Labour Organisers, lasted one hour.

But at the end it was apparent that the deep hostility to the self-confessed Trotskyist, Mr. Bevan, was unaltered. Mr. Clare is now expected to put the issue to a full meeting of NULO which is unlikely to go back on its resolve not to cooperate with the newcomer.

The agents' dissatisfaction with Mr. Bevan, who starts work at the beginning of January, is due to dislike of his political views as well as his nomination to a job traditionally earmarked for one of their own.

In confirming Mr. Bevan at last week's stormy session—against the express wishes of the Prime Minister — the Left-dominated NEC has not only stirred up a bitter controversy within the party but further lowered the morale of the agents, vital in Labour's constituency machinery.

Another pointer to the unhappiness within Transport House came earlier yesterday in a statement from Mr. Hayward, denying reports that he had ordered the directory department at party headquarters to be kept under lock and key following Mr. Bevan's appointment.

"The department will continue to supply from its records information requested by other staff," Mr. Hayward said.

Bishop protests over tax impact on churches

AFTER STRONG protests against "gross and damaging injustice" to churches and charities, peers yesterday gave a second reading to the Bill which applies a 2 per cent. "payroll tax."

The National Insurance Surcharge Bill, already passed by the Commons, is aimed at netting more than £950m. in revenue by a surcharge on employers' NI contributions.

The Bishop of London, Dr. Gerald Ellison, said there was widespread and deep concern among the churches and charities over the likely impact of the surcharge.

Dr. Ellison said the cost of Church of England clergy accepting employed status would cost an additional £350,000 a year. This sum could only come from the Church Commissioners and this, in consequence, would mean less available for clergy stipends and pensions.

He said the effect of the surcharge would be, at one stroke, to double the cost of the new scheme for the Church of England. The imposition of the tax was a clear breach of repeated assurances given by the Government that it did not intend to tax churches and charities beyond the indirect taxes which already applied.

Dr. Ellison said the churches and charities had no desire to opt out of the responsibility to shoulder the burden of restraint and sacrifice which the state of the economy required, nor did they ask for special treatment other than that which had been traditionally accorded to them. But they did ask that they were not discriminated against.

He argued that the churches and charities had no one to whom the surcharge could be passed on. Nor was there any wealthy sponsoring body to carry the burden.

In the case of churches and charities, the tax would eventually have to be paid by low-paid clergymen and parish workers, and by retired clergy and widows.

Dealing with the effect on charities, Dr. Ellison said: "This is not broad-based tax legislation. It is grossly discriminating against the small minority who have a right to look to the Government for protection."

He added: "We find it difficult to understand how, at a time when charitable activities are being asked by the Government to renew their efforts and to fill the gaps left by the inability of Government to meet the essential needs of society, they are being subjected to the punitive provisions of this measure, and to the uncomfortable threat that the Government intends little by little to erode the protection which has, over the centuries, been extended to them."

Lord McCluskey, for the Government, said that the revenue yield would be about £950m. during 1977-78. The money would be collected through the employers' National Insurance contribution and this meant there would be no additional administrative work for employers.

It was preferable that the tax should be of a non-selective type since it was more thinly spread.

Baroness Elles (C) argued that the surcharge was 2 per cent. on earnings, but 28 per cent. on the National Insurance contributions.

The tax was unfair and dangerous both for the way it was to be levied and its possible effect on the economy. It would cost manufacturing industry about £400m. and this was bound to have its effects.

Lady Elles said the Bill [illegible] answer our economic, finan[cial and] social needs, and did not g[ive] badly needed incentive to [wealth-]creating sectors of the ec[onomy]. "It will not provide con[fidence] in the Government, eit[her at] home or abroad. It is a b[ad Bill] and will be of no benefit a[nd] those who most need help."

Lord Banks, for the Li[berals,] said the surcharge was cle[arly a] tax on employment at a t[ime of] high unemployment and it [could] be the last straw for som[e em]ployers, while encou[raging] others to employ fewer p[eople].

The tax took no account [of the] ability to pass on the sur[charge] in prices. "Some organis[ations,] by their very nature, are unable to do that. This [is the] position of churches and [chari]ties."

Lord Banks added: "A major change is taking pl[ace in] National Insurance policy, [which] is disguised and is being [intro]duced by a backstairs me[thod]."

Lord Allen of Abb[eydale,] chairman of the National C[ouncil] of Social Service, appeal[ed for] concessions for charities [and] said the Royal National In[stitute] for the Blind calculated th[e] measure would cost them £50,000 a year. The S[...] Society would have t[o pay] another £40,000 and Dr [Bar]nardo's would pay £75,000.

Replying to the debate [Lord] McCluskey said the sur[charge] was an indirect tax. Tra[ditionally,] indirect taxes had [been] paid by the churches [and] charities.

During 1976-78 grant[s to] certain voluntary organi[sations] were to be increased by [...per] cent. so that selective help [could] be given to charities doi[ng the] greatest service to [the] community.

Minister hints at action on petrol prices display

BY JOHN HUNT

A STRONG indication was given yesterday by Mr. John Fraser, Minister of State for Prices, that the Government will bring in an order taking statutory powers to regulate the display of prices at petrol stations.

Answering questions in the Commons, he made it clear that the Government is extremely dissatisfied with the way the voluntary agreement with the industry has failed to prevent the proliferation of advertising signs making vague claims of large price reductions on petrol.

Mr. Fraser also said that the Director of Fair Trading is considering referring to the Monopolies and Mergers Commission the refusal of many petrol stations to give discounts on credit cards in the same way as on cash sales. He made it clear that the Government would welcome such a reference.

On the question of price displays, he said that if the voluntary agreement is not more widely observed, the Government will have to take further action. He was considering whether the statutory powers to control price displays under the Prices Act 1974 ought to be used.

Mr. Albert Costain (C., Folkestone and Hythe) protested that it was entirely unsatisfactory when stations were offering 10 or 12 pence off, when the customer always paid the same price in the end.

Mr. Fraser agreed that it was highly misleading and did require action. The only reason for delay was to give a chance for the voluntary agreement between the oil companies, petrol retailers and Director General of Fair Trading to work properly.

"From the volume of complaints, it is not thought to be working properly. That is why we are considering urgent action," he said.

He had received reports from trading standards officers all over the country and was awaiting more. As soon as he had looked at the evidence, he would certainly want to consider proposals.

Mr. Clement Freud (Lib., Isle of Ely), protested that the Government had been giving the same evasive replies for two years, when all the public wanted was to know the real price of petrol.

Mr. Fraser told him: "I welcome the support from all sides of the House for taking statutory action."

Retail price index rise

OVER THE 11 months to November, 1976, the depreciation of sterling might be expected to have increased the retail price index by about 3 per cent. by the end of this year, and by a total of about 5 per cent. by the second quarter of 1977.

Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, gave these estimates, which he stressed are always subject to uncertainty, in the Commons yesterday.

Mr. Robert Maclennan, Under-Secretary, stated that the retail price index had increased by 19.7 per cent. over the last three months, expressed at an annual rate.

Leaving age policy unchanged

By Rupert Cornwell

WITH DISAGREEMENT on both devolution and economic strategy ringing in their ears, the Conservatives are busy trying to patch up another embarrassing split—this time on education.

The trouble started at the week-end when the new junior front bench spokesman, Dr. Rhodes Boyson, called for children to be allowed to leave school at 14 if they were apprenticed and the step had the approval of both school and parents.

Yesterday, however, Mr. Boyson, a former headmaster, was put sharply in his place by the shadow Education Secretary, Mr. Norman St. John-Stevas, and was roundly condemned by leading representatives of teachers' organisations.

Pointedly remarking that he had been put in charge of education by the Opposition leader, Mrs. Thatcher, Mr. St. John-Stevas reiterated that Tory policy remained a school-leaving age of 16.

Dr. Boyson maintains that he was merely floating an idea for discussion and that he supports the party line.

Peers attack Common Market plan for aircraft industry

LORD BESWICK, chairman-designate of the proposed new nationalised British Aerospace, told the Lords yesterday, that he was "anxious" at the prospect of management responsibility for European airspace being vested in some new body sited in Brussels.

Peers were debating a European Commission report which argued the case for Community control and finance of the aircraft industry and for a common air transport policy.

Lord Beswick said that while the pitfalls and problems of centralisation could be avoided or overcome in a national exercise, it was "sheer folly" to imagine that a centralised management control could be imposed on the aerospace industries of nine countries and "a credible competitive manufacturing industry" still retained.

Criticism of Europe's assessment of the shape of aeronautics in the future had been started by Lord Kings Norton, who was Director of Special Projects, Ministry of Aircraft Production, from 1943 to 1944.

Lord Kings Norton agreed with a Lords committee which had considered the EEC action programme for the European aeronautical sector, as being largely unacceptable.

"I feel strongly that the philosophy of centralisation is wrong and should be resisted. I feel also that the action programme was written by people with little first-hand knowledge of aircraft and aviation."

He pointed out that projects like Concorde, the Tornado and the Jaguar aircraft had been started before Britain joined the Common Market, and warned: "Any attempt to impose collaboration from Brussels will not work."

Lord Carr of Hadley (C) said he hoped the Commission would continue to take an interest—inquiring, reporting, crit[icising,] urging, "but please, not [estab]lishing a great cen[tral] bureaucracy."

He described the Comm[ission's] action proramme as "ab[...] lethal." If the medicine w[ere] administered to Europe[an air]craft industries, they w[ould be] as good as dead.

Lord Lloyd of Kilgerr[an] suggested that further [...] should be held concentra[ting on] political aspects. This cou[ld be a] better way of furtheri[ng the] basis of the Commission'[s case] for some kind of unifor[m ...] Europe for aeronautics.

Attlee statue agreed

THE COMMONS agreed yesterday to honour former Labour Prime Minister, Clement Attlee, with a memorial at Westminster.

MPs heard from Mr. James Callaghan, Prime Minister, that it was a rare distinction for the Commons to honour one of its former members in this way.

"I can say, in all truthfulness, about Clem Attlee, that neither the changing perspectives of passing time nor the critical revisionism of modern historians have diminished his stature and achievements." Mr. Callaghan said.

Attlee would be remembered "as a Prime Minister and a statesman of achievement, as a politician of quiet but subtle skills, as a Parliamentarian who brought to the House the same decency, honesty and integrity in his public life that he always showed in his private behaviour."

The statue would be a tribute not only to Attlee but to all that was best in the Parliamentary and political system, the Prime Minister added.

Mrs. Margaret Thatcher, Opposition leader, said that she had only known Earl Attlee from afar. But it was obvious, she added, that he was a great British patriot, and had an outstandingly clear, decisive and courageous mind.

"There was nothing bogus or artificial about him. He was a person of total integrity," Mrs. Thatcher declared.

For the Liberals, Mr. Jeremy Thorpe said that, as Prime Minister, Lord Attlee had received more than the usual share of criticism. But no one would be prepared to deny that he was a man with total integrity, courage and love of his country.

Mr. Thorpe said the statue should be placed in the members' lobby alongside statues of Asquith, Lloyd George and Winston Churchill.

The Father of the House, Mr. George Strauss (Lab., Vauxhall) said that Lord Attlee had proved himself a very great Parliamentarian and servant of the nation. A statue to him was overdue.

NEB invests

THE National Enterprise Board has so far invested £71.6m., Mr. Lesline Huckfield, Industry Under Secretary, said in a Commons written reply yesterday.

Written Answers

TREASURY

Mr. Tom Arnold (Con., Hazel grove). What formula is used for calculating any increase in import prices resulting from a fall in the value of sterling?

Mr. Joel Barnett, Chief Secretory. On the basis of past relationships, a fall in the value of sterling could be expected to lead, after a short lag, to the same proportional rise in import prices of basic materials and fuel; and a less than proportional rise in import prices of food and manufactures. For imports of goods in total, I would expect a 1 per cent. fall in the value of sterling—equivalent to a 1.1 per cent. increase in world prices measured in sterling—to result in an increase of 0.9 per cent. in U.K. import prices. But if there is no equivalent change in the value of the green pound, there could be a smaller effect on import prices of food.

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Mr. Julian Ridsdale (Con. Harwich). How much have taxes increased since February 1974 compared with rates?

Mr. Davies. Since many taxes are levied on an annual basis and receipts show seasonal variation, figures relating to the particular month of February would be misleading. However, between the financial year ending April 1974 and the current year, as estimated in the Financial Statement in the last Budget, taxes will increase by 84 per cent. while rates increase by 71 per cent.

TRADE

Mrs. Nicholas Winterton (C., Macclesfield): Will the Secretary of State make a statement on the reduction of £700,000 in the funds available to the British Overseas Trade Board?

Mr. Michael Meacher, Under-Secretary: The Government has recognised the need to cut public expenditure and to make economies in the cost of Civil Service manpower. The BOTB has been asked to contribute to these economies by reducing its direct expenditure for next year by about £700,000 out of a total of about £19m. at current prices, and by a reduction of 100 out of 1,050 in manpower over the next 18 months. The BOTB has advised that these measures will involve some curtailment of its services but will not damage the main thrust of its promotional activities.

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Mr. Nicholas Winterton: Will the Secretary of State reinstitute a licensing system for the import of duty free quotas of pulp, newsprint, paper and board imports?

Mr. Meacher. There is now no tariff quota for woodpulp. The annual tariff quotas for paper and paperboard have never been licensed and there appears to be no justification for its introduction. In the first two years of the tariff quota for newsprint importers required certificates issued by the Department of Trade in order to claim relief from import duty. It was feared that otherwise the newsprint might not go to the publishers of newspapers and periodicals for whom it was intended. As experience suggested that such fears were groundless certification was abandoned in 1976 and no case has been made out so far for restoring it in 1977.

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INDUSTRY

Mr. Nicholas Winterton. What is the total amount of public funds which have been given to British Leyland since British Leyland first made an application?

Mr. Gerald Kaufman, Minister of State. £200m. was subscribed in October 1975 under the British Leyland Act 1975 for shares pursuant to the Rights Issue. The first instalment of loan finance under the Ryder Report programme has not yet been paid. British Leyland has also taken advantage from time to time of the various schemes of assistance available to industry under the Industrial Development Act 1966, the Investment and Building Grants Act 1971 and the Industry Act 1972.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on December 20, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place	Local Unit	Value of £ Sterling
Afars & Issas	Djibouti Franc	275.sg
Afghanistan	Afghani	73 (A)
Albania	Lek	(O)10.10(A)
		n/a
Algeria	Dinar	7.05
Andorra	French Franc	8.38
	Spanish Peseta	114.75
Angola	[illegible]	n.a.
Antigua (S)	E. Caribbean	4.54
Argentina	Ar. Peso Free Rate	449.80
Australia (S)	Australian $	1.5722
Austria	Schilling	28.35
Azores	Portug. Escudo	52.80
Bahamas (S)	Ba. Dollar	1.6815
Bangladesh (S)	Taka	25.35 sg
Bahrain (S)	Dinar	0.661
Balearic Is.	Spa. Peseta	114.75
Barbados (S)	Barbados $	[illegible]
Belgium	B. Franc	(cn) 60.50
		(fn) 60.80
Belize	B$	3.363
Benin	C.F.A. Franc	419½
Bermuda (S)	Bda. $	1.6815
Bhutan	Indian Rupee	14.65
Bolivia	Bolivian Peso	33.28
Botswana (S)	Pula	1.4565
Brazil	Cruzeiro	[illegible]
Br. Virgin Is. (S)	U.S. $	1.6815
Brunei (S)	Brunei $	4.15125
Bulgaria	Lev	1.5840
Burma	Kyat	11.80
Burundi	Burundi Franc	149.10
Cameroon Rp	C.F.A. Franc	419½
Canada	Canadian $	1.6965
Canary Is.	Spanish Peseta	114.75
Cape Verde I.	Cape V Escudo	52.90
Cayman Is. (S)	Cay. I. $	1.40125
Cent. Af. Rp.	C.F.A. Franc	419½
Chad	C.F.A. Franc	419½
Chile	C. Peso	(Bk) 28.64
China	Renminbi Yuan	3.1571
Colombia	C. Peso	(F) 60.95
Comoro Is'ds.	C.F.A. Franc	419½
Congo (B'lle)	C.F.A. Franc	419½
Costa Rica	Colon	14.46½
Cuba	Cuban Peso	1.3917 (sg)
Cyprus (S)	Cyprus £	0.6960
Czechoslovak	Koruna	(comm) 9.35
		(nc) 16.60
		(T) 16.28
Denmark	Danish Krone	9.75
Dominica (S)	E. Caribbean $	4.54
Domin. Rep.	Dominican Peso	1.6815
Ecuador	Sucre	(O) 40.20
		(F) 46.00
Egypt	Egyptian £	0.6455
		(T) 1.1646
Ethiopia	Ethiopian $	(P) 3.435
Eq'tl Guinea	Peseta	114.75
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	9.75
Fiji Is. (S)	Fiji $	1.6016
Finland	Markka	6.57
France	French Franc	8.39
Fr. C'tyin Af.	C.F.A. Franc	419½
Fr. Guiana	Local Franc	8.39
Fr. Pac. Is.	C.F.P. Franc	152.54
Gabon	C.F.A. Franc	419½
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	[illegible]

Place	Local Unit	Value of £ Sterling
Germany West	Deutschemark	3.96½
Ghana (S)	Cedi	1.92
Gibraltar (K)	Gibraltar £	1.00
Gilbert Is.	Aust. Dollar	1.5722
Greece	Drachma	61.835
Greenland	Danish Kroner	9.75
Grenada (S)	E. Caribbean $	4.54
Guadaloupe	Local Franc	8.39
Guam	U.S. $	[illegible]
Guatemala	Quetzal	1.6815
Guinea Rep.	Sily	37.41
Guinea Bissau	—	65.0849
Guyana (S)	Guyanese $	4.2878
Haiti	Gourde	8.4075
Honduras Rep	Lempira	3.370
Hong Kong (S)	H.K. $	7.8375
Hungary	Forint	(com) 71.65
		(nc)(T) 38.97
Iceland (S)	I. Krona	316.80
India (S)	Ind. Rupee	14.65
Indonesia	Rupiah	697.8225
Iran	Rial	(A) 118.0
Iraq	Iraq Dinar	0.49494
Irish Rep K	Irish £	1.00
Israel	Israel £	[illegible]
Italy	Lira	1,455
Ivory Coast	C.F.A. Franc	419½
Jamaica (S)	Jamaica Dollar	1.52864
Japan	Yen	494
Jordan (S)	Jdn. Dinar	0.545 (sg)
Kampuchea	Riel	n.a.
Kenya (S)	Ken. Shilling	[illegible]
Korea (Nth)	Won	n.a.
Korea (Sth)	Won	812.64
Kuwait (S)	Kuwait Dinar	0.481
Laos	Kip Pot Pol	336.3
Lebanon	Lebanese £	4.8763
Lesotho	S. African Rand	1.4565
Liberia	Liberian $	1.6815
Libya	Libyan Dinar	(P) 0.4978
Liecht'nstn	Swiss Franc	4.11½
Luxembourg	Lux Franc	60.90
Macao	Pataca	12.7375
Madeira	Portug'se Escudo	52.90
Malagasy Rp.	MG Franc	419½
Malawi (S)	Kwacha	1.522
Malaysia (S)	Ringgit	4.2816
Maldive Is. (S)	Mal Rupee	74.673
Mali Rp.	Mali Franc	839
Malta (S)	Maltese £	[illegible]
Martinique	Local Franc	8.39
Mauritania	Ouguiya ♣	85.9489
Mauritius (S)	M. Rupee	11.282
Mexico	Mexican Peso	33.71
Miquelon	C.F.A. Franc	419½
Monaco	French Franc	8.39
Mongolia	Tugrik	[illegible]
Montserrat	E. Caribbean	4.54
Morocco	Dirham	7.55 (sg)
Mozambique	Moz. Escudo	52.90
Nauru Is.	Aust. Dollar	1.5722
Nepal	Nepalese Rupee	21.001
Netherlands	Guilder	4.15¼
Neth. Ant'les	Antillian Guild	3.0099
New Hebrides	Franc	135.60
	Austl. Dollar	1.5722
N. Zealand (S)	N.Z. Dollar	1.7842
Nicaragua	Cordoba	11.81
Niger Rp	C.F.A. Franc	419½
Nigeria (S)	Naira	[illegible]
Norway	Norwg. Krone	[illegible]
Oman Sultanate of (S)	Rial Omani	0.577
Pakistan	Pkst. Rupee	16.30 (sg)
Panama	Balboa	1.6815
Papua N.G. (S)	Kina	1.3008

Place	Local Unit	Value of £ Sterling
Paraguay	Guarani	209.65
P'ple's D. Rp. of Yemen (S)	S. Yemen Dinar	A 0.57870
Peru	Sol	(ex/c) A 176.72
Philippines	Ph. Peso	12.506
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.7842
Poland	Zloty	(Cm) 32.82
		(T) 68
Portugal	Pgse Escudo	52.90
Port Timor	Timor Escudo	52.90
Principe Isle.		n.a.
Puerto Rico	U.S. $	1.6815
Qatar (S)	Qatar Ryal	6.60
Reunion, Ile de la	French Franc	8.39
Rhodesia	Pound	1.0426
		(cm) 8.31
Romania	Leu	(nc)(T) 20.06
Rwanda	Rwanda Franc	156.61
St. Christopher (S)	E. Caribbean $	4.54
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.54
St. Pierre	C.F.A. Franc	419½
St. Vincent (S)	E. Caribbean $	4.54
Salvador El	Colon	4.20
Samoa Am.	U.S. $	1.6815
San Marino	Italian Lire	1,456
Sao Tome	Pgse. Escudo	52.90
Saudi Arabia	Ryal	5.90
Senegal	C.F.A. Franc	419½
Seychelles	S. Rupee	13.55
Sierra Le'ne (S)	Leone	2.0
Singapore (S)	Singapore $	4.15125
Solomon Is (S)	Australian $	1.5722
Somali Rep.	Som Shilling	A 10.665 (sg)
Sth. Africa (S)	Rand	1.4565
S. W. Africa Territories (S)	S. A. Rand	1.4565
Spain	Peseta	(h) 114.75
Span. Ports in North Africa	Peseta	114.75
Sri Lanka (S)	S. L. Rupee	14.5775 ♦♦
Sudan Rp.	Sudan £	A 0.5856 (sg)
Surinam	S. Guilder	3.0098
Swaziland (S)	Lilangeni	1.4565
Sweden	S. Krona	[illegible]
Switzerland	Swiss Franc	4.11½
Syria	Syria £	(A) 6.160 (sg)
Taiwan	New Taiwan $	(P) 63.837
Tanzania (S)	Tan. Shilling	14.045
Tuvalu	Australian $	1.5722
Thailand	Baht	34.03
Togo Rp.	C.F.A. Franc	419½
Tonga Is. (S)	Pa'anga	1.5805
Trinidad (S)	Trin. & Tobago	4.0366
Tunisia	Tunisian Dinar	0.685 (sg)
Turkey	Turkish Lira	26.40 (bc)
Turks & C's	U.S. $	1.6815
Uganda (S)	Ug. Shilling	14.04
Utd. States	U.S. Dollar	1.6815
Uruguay	Uruguay Peso	(cm) 6.62
		(fn) 6.65
Utd. Ab Emirs	U.A.E. Dirham	6.66
U.S.S.R.	Rouble	1.25
Upper Volta	C.F.A. Franc	419½
Vatican	Italian Lira	1,456
Venezuela	Bolivar	7.21 (x)
Vietnam (Nth)	Dong	(O) 4.675
		(T) n.a. (g)
Vietnam (Sth)	Piastre	3.7108
Virgin Is. U.S.	U.S. Dollar	1.6815
Western Samoa (S)	Samoan Tala	1.0034
Yemen	Ryal	7.85 (sg)
Yugoslavia	New Y Dinar	30.5574
Zaire Rp.	Zaire	1.4452
Zambia	Kwacha	1.33

♦ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

♦♦ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 cents per cent.

♣ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.

(x) General rates oil and iron exports [illegible].

(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 0.225 Russian roubles: The North Vietnamese dong at 0.306 roubles and the North Korean won at 0.7493 roubles. With the pound standing at 1.25 roubles the following relationship could be calculated for the pound: £=3.56 tugriks: £=4.08 dongs £=1.668 won.

* Rate is the Transfer market (controlled).

** Rate is now based on 2 Barbados $ to the dollar.

† Now one official rate.

The Management Page

EDITED BY JOHN ELLIOTT

ARTICIPATION IN LOCAL COUNCILS

Unions take seats in Basildon

BY SUE CAMERON

The Government will next year decide whether to give a general go-ahead to employee participation systems in local government. For the past six months Britain's first experiment in combining industrial democracy with the electoral principle has been taking place in Basildon.

E FIRST attempt to intro-e *employee representatives* local government councils their committees is being de at Basildon in Essex *ere a pilot scheme has been* ning for six months.

he scheme was set up at instigation of leaders of *ildon's Labour - controlled* trict council who felt that ployee representatives could ke a useful contribution to ncil meetings because *of* ir first-hand knowledge of the authority's services re operated. It was also ught that local government on representatives should e the same rights as those ng proposed in the private tor by the Bullock Com-*tee of Inquiry on industrial* ocracy.

his coincides with internal itehall inquiries on indus-l democracy in the *public* tor, including local govern-nt, where national union ders are calling for seats for ir representatives on local ncils and committees. Their received a considerable st last week when the ater London Council agreed invite its *unions* to put up resentatives to sit in on its mittee meetings with the t to speak but not to vote. s invitation is in advance of decision by the Whitehall uiry.

Rejection

he associations which repre-t the local authorities have ever rejected any idea of rall union-based employee resentation. But at the same e they have recognised the t of individual authorities *make up their own minds* start experiments like that Basildon and now in the C.

n Basildon there are four ployee representatives on the ncil itself and most of the mittees have two. They *e the right to speak but they* not vote and they are exclu-from the key policy cutive committee which utinises the recommenda-s of all other committees ore passing them on to the council. They were luded from this committee ause councillors from the minority Conservative and Residents parties do not sit on the policy executive committee and it was thought that employees should not be given an advan-*tage over elected members.*

The employee representatives themselves are all elected through the trades unions. *There are* two representatives from the manual workers' unions and two from the office workers' unions at council meet-*ings* and one representative each at committee meetings. A high percentage of Basildon council's manual workers belongs to the National Union of Public Employees and 95 per cent. of the office workers belong to the National and Local Government Officers Association which has simplified the problem of sorting out the union representation.

So far the union representatives have concentrated their energies on meetings of Basildon's management services committee which deals with council *employees' terms and conditions* of service. They attend committees on a rota basis and those who have an interest in a particular field are allowed to attend the relevant committee regularly if they wish. Sometimes the employee representatives do not appear at committee meetings at all and the unions say that the reason for this almost casual attitude is shortage of time and pressure of work.

Members of the local NALGO branch complain that at present it has been difficult for them to decide what line their representatives should take at committee meetings because there has been little time to go through agendas and agree a viewpoint.

The unions, however, do not want individual representatives to continue to put forward their own personal opinions and it seems likely that when the scheme is reviewed they will demand the right to discuss council agendas during working hours—so introducing a measure of union control because it would enable them to mandate their representatives.

It is probable that there will be strong opposition to this proposal on the grounds that ordinary elected council members have to hold down jobs during the *day and they are not* allowed to take time off work to prepare for committee meetings.

But the unions also want the right to send representatives to Basildon's policy executive committee because they believe that *that is where the major decisions* are made. In addition they want representatives to attend meetings of the council's management team so that they can try to influence both the implementation of council policy and the debate on which it is based. The Basildon management team is composed of the chief officers of the different services and is not a council committee.

These two union demands are certain to arouse strong opposition, especially the management team ambition. This is because when the scheme was set up, one of the problems envisaged was that employee representation would upset discipline in council departments. Chief officers always attend the council committee meettings that affect their own departments and they were worried that their advice would be contradicted by a junior employee from the same department who happened to be a union representative.

The unions *say* this would never happen because employee representatives would always put forward the views of their colleagues and would not grind personal axes. They add that even if there were a disagreement between an employee representative and a chief officer at a committee meeting this would never be carried over into day-to-day working relationships.

Senior officers at Basildon council admit that this particular problem has not emerged in the six months the representation scheme has been in operation; but some *of* them clearly feel that it could still happen in the future. They are worried that, if it did, the management of council services would become far more difficult.

Although Basildon was the first district council to bring in employee representation, similar moves are now being made by other authorities. For instance in Slough employee representatives are allowed to sit and speak—but not vote—on the council's personnel committee which deals with the terms and *conditions of all those who work* for the authority.

Under the scheme that has been agreed by the Greater London Council, union representatives will be able to form up to a third of the membership of each committee—rather more than in Basildon.

The GLC scheme will give union representatives, as at Basildon, the right to attend and speak at committee meetings but not to vote. The GLC is planning to ask the Government to introduce legislation that will put the scheme on a firm statuory basis; in the meantime it will be run *in a more ad hoc* manner.

O..e of the reasons given for setting up worker representation in the GLC is that some councillors feel that at present t‥ much power is concentrated in the hands of a small number of employees, namely the senior officers of the various services.

One of the strongest arguments against employee representation in local government is that it cuts across the traditional parliamentary democratic *principle of accountability* to the local electorate. The Basildon scheme has been strongly opposed for this reason by Conservative and Residents party councillors.

On the other hand union re‥entatives in Basildon have no voting rights and they have so far not attempted to influence party political decisions. Local trade unionists feel it would be wrong for them to take a party political line and they say that for this reason they do not want voting rights.

But these views of members of *the Basildon branch of NALGO* are at variance with the union's national policy on representation. NALGO national leaders want its *local* government representatives to have voting rights on council committees although it insists that its members should neither vote nor speak *along party political lines.*

In Basildon, fears that union representation might exercise an undue influence over the *decisions of democratically* elected councillors have proved unfounded.

Minor role

The union representatives have played a *minor role* ‥n the council's general affairs and this has been a source of disappointment to the Labour Party members who originally instigated the scheme. The unions themselves *would* also like to make a larger contributio‥ to council policy, but say they have been unable to ‥ so because of the time restraints.

The practical effect of this however is that the scheme has worked smoothly and has not impeded the management of the council's affairs precisely because it has had so little impact on the policy decisions made by the democratically elected councillors. *The potential conflict* between local democracy and union representation seems to have been sidestepped through lethargy rather than intent. But whether this harmonious state of affairs will continue now that the unions are demanding extensions to the scheme remains to be seen.

JOB CLASSIFICATION

Five-step guide to big company pecking order

BY MICHAEL DIXON

OF LATE, numerous job-classifying systems, more or less sophisticated but on the whole unsuccessful, have been devised with a view to improving operations such as pay-grading and recruitment. Over the years too, theories have sprung up about non-bureaucratic forms of work-organisation, with such titles as "organic" or "democratic." But through it all, Professor Ralph Rowbottom has stuck to the idea that over a wide range of fields, work is best described and organised in a well defined hierarchy.

On the basis of some seven years of concentration on public services as a member of Brunel University's Institute of Organisational and Social Studies, and twice as long *beforehand in commerce and* industrial management—both line and staff—he could no doubt claim that his idea is justified by experience. But he would prefer to justify it on the grounds that it fits the facts.

Recently, with colleague David Billis who also works in association with *Professor* Elliott Jaques at the Brunel Institute, he has defined the hierarchical model even tighter into a set of five distinct layers which, as they are within beard-brushing distance of academic sociology, the two researchers call "discrete strata." Perhaps understandably too, the way they place jobs within the layers fits in with Jaques's time-span-of-discretion theory. This theory *put roughly, ranks work at* successively higher levels according to its demand for increasingly abstract thinking and the length of time over which the worker's control extends (or how long he can get away with it without being rumbled.)

The lowest stratum of jobs is described by Rowbottom and Billis by the term "prescribed output—working towards objectives which can be completely *specified (as far as is significant)* beforehand, according to defined circumstances which may present themselves." This layer, they say, includes most craftsmen as well as less- and un-skilled workers and also, in its upper reaches, many supervisory staff. The ceiling that divides them from their supervisors is that they are not expected to make any significant judgments on what output to aim for or under what circumstances to aim for it.

Stratum Two is depicted as "situational response—carrying out work where the precise objectives to be pursued have to be judged according to the needs of each specific concrete situation which presents itself." Since the worker here needs the ability to explore and assess the nature of the said specific concrete situations, the researchers suggest that this layer separates the professional employee from the craftsman below, but *it* also includes those jobs of managers who are fully accountable for the work of Stratum One people and responsible *for* appraising their needs and capabilities. The ceiling for second-layer dwellers is that they are not expected to make any commitments on, how situations which may arise in the future are to be dealt with.

Systematic

Stratum Three is termed "systematic service provision—making systematic provision of services of given kinds shaped to the needs of a continuous sequence of concrete situations which present themselves. . . Characteristically, the work involves initial discussions and negotiations with a number of fellow workers and co-ordinating *with them the introduction of new schemes.*" A likely private-enterprise candidate for this layer seems to be the sales manager. Its ceiling is that the inhabitants are not expected to make any decisions on the reallocation of resources to meet needs which are not yet clearly evident for the kinds of services under their charge.

In Stratum Four we meet, among others, the departmental *director. The description here* is "comprehensive service provision — making comprehensive provision of some given kinds according to the total and continuing needs for them throughout some given territorial or organisational society." While fourth-layer managers may not be authorised to make final decisions on investment, Rowbottom and Billis say, they will at least need some degree of authority to reallocate existing resources to cope with newly emerging kinds of need within their particular service area. The ceiling is that they are not expected to make any decisions on the reallocation of resources to meet *needs for different or* new kinds of services.

To give an idea of the scope of Stratum Five people, the Brunel pair suggest that whereas the industrial man in the fourth layer thinks of his responsibilities in terms of *overcoats or calculators*, the purview of his counterpart in the fifth requires thinking in terms of clothing or data processing systems. Termed "*comprehensive field coverage,*" Stratum Five includes the chief executives of many large business organisations.

Rowbottom and Bellis stop their defined hierarchy here, although they admit that there seems no reason to do so. Beyond Stratum Five there exist *jobs of the chief executive type* responsible for the meshing of several whole "comprehensive fields" — the top manager of a large local authority perhaps, or of a multi-national — and beyond that as well.

But the fact that they accept that this is so, does not mean they approve of it.

"What is the social justification for the existence of larger than Stratum Five industrial *and commercial organisations?*" they ask. "How far might we see the proliferation of these as symptomatic of a society over-obsessed with advantages of the economy of size and scale, and neglectful of the needs for more convivial institutions in which men can live and work?"

Moreover, they suggest with rather more tact that there may be organisations in the public service which might benefit from being cut down to Stratum Five size at most.

If they asked me, I could nominate one right away — the National Health Service. Its top management seems to be so far up the scale that hardly anybody even knows whether it exists.

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TUESDAY, DECEMBER 21, 1976

Inflation and wages

THE main uses of the monthly indices of wage rates and earnings as an economic indicator are first, to help establish the trend of industrial costs and second, to show how real personal income (that is, income after allowing for price increases) is developing. For both these purposes, the index of earnings—though published a month in arrears—is much the more useful. The index of wages rates is so influenced by the precise date at which particular settlements are reached that the figures are always subject to fairly drastic revision, and comparison with the same month a year ago is dangerous. Moreover, when industry is just beginning to move up out of a recession, its normal first reaction (which seems to be more marked than usual on this occasion) is to cut short-time working and increase overtime rather than add at once to its labour force.

It is primarily the earnings figures that one needs, therefore, and the earnings figures are once again not available as a result of industrial action in the DoE. Nor can one work back to them from an examination of the latest statistics of retail sales. Although the volume of sales in November seems to have recovered quite sharply from the September/October fall, this was probably due partly to the coming into force of tax reliefs, partly to anticipation of increases in indirect taxation.

Input costs

If one is forced to move beyond the mere uncertainty of official statistics into the realm of conjecture, however, one is forced to conclude that real personal purchasing power after tax is likely to drop in the months ahead. Under the present stage of incomes policy—within the terms of which about a quarter of the workers covered by the wages index have now settled—the average rise in earnings over the year was to be restricted to 7-8 per cent. There may be some slippage and there may (though this seems less likely while unemployment is still high and rising) be some decline in the savings ratio. But the rise in the input costs of manufacturing industry which has already taken place, and which is largely due to the devaluation of sterling against other currencies and its effect on our import costs, means that the present inflation rate of around 15 per cent a year is unlikely to decline until around mid-1977.

The Treasury, in fact, is even more pessimistic. Although believing that the rate of inflation will peak around mid-1977 and fall thereafter, the forecasts issued with the mini-Budget suggests that prices in the fourth quarter of 1977 will be 15 per cent. higher than in the fourth quarter of 1976, suggesting that the rate—and the squeeze on real incomes—will be greater in the meantime. It therefore forecasts that real consumer expenditure (which probably fell only slightly this year) will be 2 per cent. lower in the second half of next year than in the second half of this.

Public relations

The squeeze on real incomes will put the present stage of incomes restraint under some pressure and affect negotiations with the TUC about the next stage, though the monetary targets agreed with the International Monetary Fund are tight enough to ensure that an excessive level of average wage claims will mean a still greater increase in unemployment than that already in prospect. But the Government may well have a political problem on its hands, and in this context the TUC seems to have prepared itself better to meet public opinion than the CBI. While the latter showed some approval of the mini-Budget, the former showed only grudging and conditional acceptance, demanded action by the Government on various fronts (apart from direct tax reliefs), and called on industry to match the contribution of the TUC by investing more. Since the official forecast for the growth of manufacturing investment next year is much higher than most outsiders think likely, the TUC is already one large, if unfair, jump ahead.

The Caribbean and the ballot box

IN THE past few weeks the countries of the Commonwealth Caribbean have demonstrated that they can manage their political lives with a degree of political sophistication and humanity that is rare among their Spanish and French speaking neighbours.

In Barbados the electorate decided it was time for the right of centre Mr. Tom Adams to take over from the left of centre Mr. Errol Barrow. In Trinidad and Tobago the voters felt they were better off with their incumbent Prime Minister, the long-lasting Dr. Eric Williams. The Grenadians fired a shot over the bows of their leader Mr. Eric Gairy by reducing his parliamentary majority. Finally in Jamaica last week the polls showed that Mr. Michael Manley's brand of Democratic Socialism had an enthusiastic following.

Strong-arm men

The four elections were not carried out flawlessly. In Grenada under Mr. Gairy's erratic rule there must always be doubts about how far the Government's strong-arm men interfere with the constitutional rights of the opposition. The Jamaican poll was marred by more than the usual amount of violence and the strong suspicion that outside forces financed and equipped gunmen. Nevertheless, there can be no doubt that the results of the four elections represented that popular will more or less accurately.

For the Caribbean countries themselves the results will serve as objects of legitimate pride and all four countries will feel that their experiences could well serve as models for their less politically sophisticated neighbours.

For the governments of countries outside the Commonwealth Caribbean the results also have their lessons. The first must be that the four countries — and indeed their sister territories such as Belize —need lessons from nobody about how to operate a working parliamentary democracy.

But most of the countries of the Commonwealth Caribbean need more than just an assurance that their political lives will be free of interference from outside. With the sole exception of Trinidad and Tobago whose reserves of oil and gas assure it of a comfortably prosperous future the territories of the region are going through severe economic crises which have made their chronic problems of unemployment and poverty even more intractable.

The majority of them rely heavily on sugar and tourism and they have been doubly hit by the deep slump in the international sugar price and by the fact that the tourist trade is in the doldrums.

The region will in future therefore need more economic assistance from the developed world, assistance which could take the form not only of more generous loans and grants but also better prices for its export items such as sugar, citrus, bananas and bauxite from its principal customers.

Control of industry

At the same time, it is likely that the governments of the Commonwealth Caribbean will seek more control in future over the industries on which their export earnings depend. If this process is to be carried out fairly and with the minimum of disruption to buyers and sellers it will have to be well thought out and based on proper compensation for any losses incurred. In this context the latest report of the House of Commons Select Committee on Overseas Aid, a document published this month which is distinguished by a sensitive appreciation of the problems of the Caribbean and the future role of expatriate companies in the region, is particularly valuable. It provides an excellent blueprint for Britain's future policies in the region, in particular on the sensitive question of disinvestment by British companies.

U.S. SEEKS NOVEL ENERGY SOURCES

Less independent than hoped

By DAVID FISHLOCK, Science Editor

JUST THREE years ago, in the wake of the big Opec oil price increase, President Nixon announced Project Independence, the plan that was to make the U.S. independent of energy imports by 1985. Next month when Mr. Jimmy Carter enters the White House he will find that far from being less than two terms away, the goal of Project Independence has receded into the distant future.

The three years have been spent raising fresh problems, delaying decisions, deferring price increases, promoting hopes of panaceas and—above all—allowing energy consumption to go on growing. Plutonium and proliferation have displaced the many earlier nuclear worries. Delays in licensing nuclear reactors, enrichment facilities, coal winning and synthetic fuel processes have frustrated utilities and fuel suppliers.

Refusal to allow higher energy prices has kept utilities short of spare cash for investment while providing their consumers with no incentive whatsoever for energy saving. Solar energy especially has been politically promoted and generously supported as the "benign and renewable" resource which—like North Sea oil for Britain—would eventually be the energy saviour of the U.S. nation.

Nuclear exports

The optimists in the energy business in Washington to-day believe that when Mr. Carter finally gets to see the books he cannot fail to spot the flaws and the fallacies in the chaos that passes for U.S. energy policy at present. Britain and other industrial nations, whatever their state of their own plans for energy independence, must pray that the optimists are right, and that Mr. Carter will provide the enthusiastic political leadership in energy so woefully lacking to-day.

By optimists I don't mean simply the nuclear industry, where in fact many leaders are still profoundly gloomy about the immediate outlook, especially for nuclear exports and more advanced systems such as the fast breeder reactor. Westinghouse Electric, for example, although claiming to be still in the black this year on its nuclear operations—probably the only major U.S. nuclear vendor which can make the claim—is harassed by lawsuits following its spectacularly unsuccessful gamble on uranium futures. It still has the biggest backlog of reactor orders. But nowadays it is doing much less sub-contracting and is filling its own spare manufacturing capacity by fulfilling a brisk demand from utilities for spent-fuel storage racks—a consequence of government indecision over the reprocessing of spent fuel.

By optimists I mean those who, from a more neutral perspective, have observed—often suffered—three years of desperate efforts by government to avoid the conclusion that, whereas until 1973 nuclear energy was an increasingly attractive but not indispensable energy option, thereafter it became a national necessity. France, Germany, Spain and Japan all recognised this fact. The U.S. and Britain did not.

Why it is a national necessity can be demonstrated by an examination of the two groups of technology which are most widely considered as alternatives to the nuclear option. They are solar energy an dthe conversion of coal into "synthetic" or substitute fuels. First let us take solar energy, the "benign and renewable" resource so beloved of Congress and nuclear energy's opponents.

In 1970 the U.S. Government was spending about $100,000 on solar energy. The budget for 1977 will be somewhere between $160m. (the President's budget) and $290m. (what Congress actually appropriated). The latter figure is about the same as the U.K.'s total energy R and D budget last year.

Solar energy enthusiasts in Europe point to this scale of spending, and to the fact that the U.S. Government is already investing in projects as big as a 10MW "power tower" to concentrate sunbeams. Then they claim that this proves that the Americans know they are on to something good. The facts, as I discovered at the Energy Research and Development Administration (ERDA), are somewhat different.

Responsible for ERDA's solar, geothermal and advanced energy systems (but not synthetic fuels) is Dr. Robert Hirsch, who controls a budget of about $1bn. Dr. Hirsch has been taking a critical look at his solar programme and has brought to light facts that will be most unpalatable to the solar buffs. At some personal risk to his career, he admits, from "those who worship the Sun God," he has laid his facts before a "jury"—an expert committee appointed by the President.

Those facts, briefly, cause him to have grave doubts about the economics of the two solar technologies most favoured at present, namely the "power tower" and photo-electric cells, both strongly advocated as alternatives to nuclear electricity. The present goal of his "power tower" programme is a system costing about $1,000 per kilowatt of electrical output. This implies, he says, that the array of mirrors for capturing sunbeams, plus the steering and controls mechanisms that will keep them focused on an overhead boiler, must cost less than $500 per kW—effectively, less than $100 per square metre. What worries him about such a goal is that "relatively mundane sorts of things" such as hoardings and motorway signs, which make no special optical demands and need no controls or steering, already cost $100-130 per square metre.

To return to the target of $1,000 per kW, this means bringing costs down by a factor of 25 to 100 from present-day costs. But he has been trying to translate that figure into a system which an electrical utility might be interested in buying for an average cloudy part of the U.S. To provide reliable intermediate electrical demand he puts the real cost, including storage, in the range $3,000-$7,000 per kW. "So without even asking questions about how good the $1,000 per peak kW goal is, I came out with costs for a practical system that are much higher."

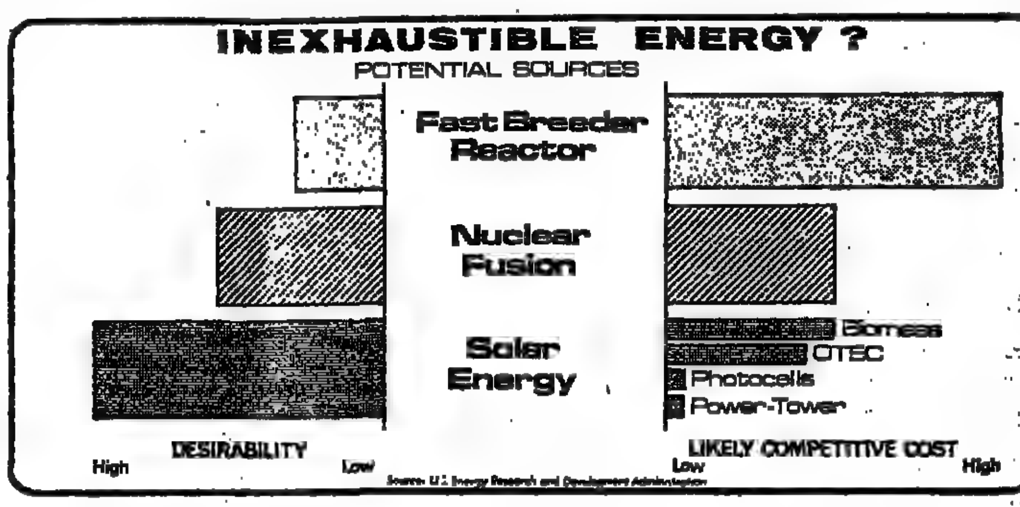
Similarly Dr. Hirsch has been scrutinising the spending on photo-electric systems for generating electricity. ERDA's target is $500 per kW by 1986 compared with $14,000 per kW for its latest purchase—a factor of 28. And some, he says, think that the goal must be $300 per kW to be really competitive with other energy sources—a factor of nearly 50. It could happen, he admits—but any realistic appraisal of this and the power tower technology seems to rank the probability of solar energy ever competing for base-load electricity very low, even close to zero.

Nor would the answer be simply to switch spending from one solar technology to another. Dr. Hirsch believes that the more promising solar technologies—like wavepower, which holds promise for Britain although less for the U.S. because its waves are less energetic—are still "technologically immature." Their prospects could be damaged by pouring in too much cash at this stage, since not enough is yet known about them to understand where best to spend the money. Unfortunately, this is a rather sophisticated argument for politicians to accept. They tend to take the simplistic view that any research problem can be cracked if enough cash is allocated—a view for which they do not usually lack support among the less principled scientists.

Let us turn now to another technology, one where the economics look much more realistic, and the engineering is much further advanced. Under Project Independence ERDA was set the goal of producing 1m. barrels a day of synthetic fuels from coal, oil shale or waste by 1985. Yet it still has to make a start on this mission.

Last year, and again in September, Congress threw out ERDA's plans. Dr. Robert Seamens, ERDA's administrator (recruited from the space programme) and his staff have appeared before no fewer than 36 Congressional committees and sub-committees. "There is still no complete acceptance that the U.S. has an energy problem, much less what to do about it," he says.

Dr. Seamens believes that the synthetic fuels project is sufficiently far advanced technologically for the U.S. to set a realistic target of 8m. to 10m. barrels a day—the output of Saudi Arabia to-day—by the year 2000. What ERDA wants to do is to help fund some large demonstration plants across the country. But these plans have aroused intense opposition—from the political right, which wants no state involvement in what they see as a private industry matter; from the left, which sees it as subsidising the hated oil companies; and from some oil majors, which resent ERDA's choice of some of their smaller rivals as partners in the new technologies.



An attempt to compare pros and cons of various potential new sources of energy.

Conservation stressed

Three years of deeply frustrating experience with Project Independence has "given me some insight into the problems of getting things changed," says Dr. Seamens. Yet if Project Independence was being re-drafted on a 10-year time scale from to-day, he believes that technologically the main difference would be a small one—merely to put greater stress on conservation. This is an area where the poor U.S. response has recently drawn the criticism of the International Energy Agency, but one where he believes the technical opportunities alone could cut U.S. energy growth from 3 per cent. to 2 per cent. annually.

Dr. Hirsch seems to put his finger on the central problem. What he calls the "perceived desirability" of any technology always looks best when it is still conceptual, and worsens as more is learned about how to engineer it and its interaction with society. For him, solar energy is still "far and a[way] the cleanest and probably most desirable" of the t[hree] primary options for the fu[ture] —solar, fusion and the breeder reactor.

How Dr. Hirsch sees t[he] three options is illustrate[d in] more detail on the accomp[any]ing chart. Of the three, the "[per]ceived desirability" of the breeder reactor is poorest, the scientists and engin[eers] know much more abou[t it] than the other options and [the] probability of economic suc[cess] is judged greatest. Fusion l[ooks] pretty promising—better [than] the fast breeder reactor [but] unanswered questions abound. (At U.S. General [Elec]tric's corporate research ce[ntre] where they are taking a 75-[year] look at energy options as [they] might affect company busi[ness] they have left out fusion o[n the] grounds that it has still [not] been demonstrated scien[tific]ally.)

As for solar energy, the [irony] is that the very sectors w[here] the U.S. Government is spen[ding] almost all of its money now [look] least attractive. Those with [the] best chance, apparently, of [com]peting are "biomass"—growing of crops rich in h[ydro]carbons—and ocean the[rmal] energy conversion (OT[EC]) both of which are at a[n] early stage of investigatio[n] energy conversion (OTEC[)] idea of harnessing the the[rmal] gradients in the sea), bo[th of] which are at a very early [stage] of investigation by ERDA.

In order to enjoy some "clean and pure" people [must] be prepared to pay anoth[er 20] or 30 per cent. in the co[st of] electricity, believes Dr. Hi[rsch]. But they will balk at an inc[rease] of 50 or 100 per cent. If [noth]ing else has come out of [the] three-year hiatus, one thing is getting across to the public is that the delays[,] false optimism about e[nergy] options are going to co[st] dearly. He cites the Califor[nia] utility which plans to pub[licise] the fact that it has been ob[liged] to spend no less than $1[...] on paperwork before its [con]tractor could break groun[d for] its new nuclear station.

This—and the fact that [...] U.S. states this year have [gone to the] polls and voted for the nu[clear] option—is the kind of cold [...] that makes the optimists be[lieve] that President Carter will get things moving again.

Laboratory demonstration of a General Electric (U.S.) process for converting dirty, caking coal into a clean fu[el] for gas turbines.

MEN AND MATTERS

Chippindale back on his own

Sam Chippindale, the man who developed the covered shopping centre idea in Britain, is going back to work on his own. Yesterday's announcement that he is leaving the Board of Town and City Properties at the year end, remaining as a part-time consultant, is not the normal phasing-out of a 67-year-old. "I'm going back to what I was at the beginning, an agent, a consultant"—even the resilient Chippindale does not use the word developer any more.

But he sticks to his belief that covered city centre shopping schemes will go on being built, withstanding the challenge of out-of-town superstores. City centre schemes have, he argues, a monopoly position. You can only have one big scheme per city whereas outside there is no guarantee against a rival opening close by. "Wait until the hypermarkets start competing with each other. It's happened in France. That will be when the fun starts."

Chippindale has been developing shops since 1945 when he set up with another Yorkshireman, Arnold Hargenbach. They called the company Arndale, and though it redeveloped many city centres, mainly in the north, in the 1950s and early 1960s, covered centres is what Arndale specialised in over the past decade, since the company was bought by Town and City Properties. There had been two earlier and pretty unsuccessful attempts to introduce covered centres to Britain—the Bull Ring in Birmingham and the Elephant and Castle scheme in London—before Chippindale brought home the ideas of American architects who had worked for him in Australia.

The ultimate Arndale is in Manchester, eventually to provide 1½m. square feet of shopping over 15 acres. But though the opening of the first phase this autumn has mollified Mancunian criticism of its design looking like "the longest lavatory wall in the world," financially the scheme has been in trouble.

Chippindale bought the first site there 25 years ago, but 1978 is now the date given for finishing the building contract and the City Corporation, the Prudential Assurance, and Town and City Properties this year had to renegotiate the financing, taking the total to £41m. Rents, they say, are more than beating building cost inflation, but it will be a struggle.

Chippindale will continue to work on Manchester and other Arndales now in the pipeline. But having once been worth £5½m. in Town and City shares, he is now a victim of his generosity in the good years to charities, family and the town of Otley (home of the Chippindales, including the famous furniture maker), and a victim of the fall in T and C's shares since 1973, when he was still buying. From a "high" of 170p, they are currently 5p. Being independent will, he says, give him a better chance of re-establishing his financial position.

"So far all we've found is a load of ruddy poems!"

Warm greetings

RESPECTABLE FIRM
THE HIGHLANG DISTILLERS COMPANY LIMITED
106 WEST NILE STREET
GLASGOW G1 2QY
(SCOTLAND)

"It is always good to know that someone, somewhere, likes you!" says John Goodwin, managing director of Highland Distilleries, who was understandably flattered to receive a letter from Italy addressed as shown above. Hate to think what the sender puts on letters containing final payment demands.

Seasonal message . . .

This column's fondness for the historical is partly based on the proposition that we have seen it all before. The editors of the Amex Bank Review sent in seasonal greetings yesterday, drawing attention to their Christmas card message, taken from John Stuart Mill in 1848:

"There cannot be intrinsically a more insignificant thing, in the economy of society, than money; except in the character of a contrivance for sparing time and labour. It is a machine for doing quickly and commodiously, what could be done, though less quickly and commodiously, without it: and like many other kinds of machinery, it only exerts a distinct and independent influence of its own when it gets out of order."

. . . some other way?

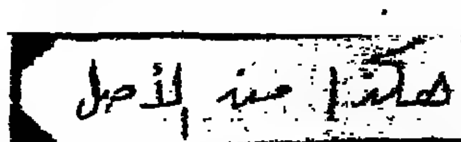
Christmas cards are a matter of taste, but there is something completely unappealing about one that has been passed to me. It is from a regional director of a national restaurant chain. The message on the front is: "There was no room for them at the inn," the Biblical line going with a picture of pre-war motor-cars and people humping luggage outside a hotel.

That's one way of using a seasonal message; and inside the card declares: "A Merry Christmas and an Attacking New Year." No thank you.

Watch those flowery jokes

Another watch repairer's notice: "Consult us when you have the time." And a florist's shop sign: "With fronds like these, who needs anemones?"

Observer



Anthony Moreton examines the issues surrounding devolution in Wales

DEVOLUTION WALES·CYMRU

A mixed welcome in the vales

RIGHT from the start it was clear that most of the attention in the Government's great debate on devolution would centre on Scotland. Mr. Edward Heath's crisis of conscience, Mrs. Margaret Thatcher's front bench reshuffle and the attack on Mr. Teddy Taylor, her new shadow Scottish Secretary, during the early days of the Commons debate all concerned the position *north of* the border. This has caused no little resentment in Cardiff, where it is felt that "Scotland" and "devolution" are almost synonymous.

The Welsh, however, though out of the limelight, are not just an appendage to the Scotland and Wales Bill. The movement towards devolution has been gathering pace for over a decade, and it was as a concession in this direction that, first, a nominated Welsh Council and, then, a Secretary of State for Wales, within the Cabinet, were established. But the actual strength of the devolutionists has never been very clear.

Now that the principality is on the brink of something very much bigger, it suddenly finds itself deeply divided. A poll produced recently for the Western Mail, the Cardiff-based Thomson morning newspaper, and Harlech Television, showed that *only* 27 per cent. of the sample was either quite strongly or very strongly in favour of an elected Assembly while 40 per cent. was equally strongly opposed to it. But since some of the opposition were among the 40 per cent. because they thought the proposed Assembly would not be given enough power, it has been suggested that the vote in favour of an *Assembly* is around a third of the total.

A divided Wales is nothing new. The more tolerant approach to angliciation in the south east has never been accepted in the west and north west of the country, where the *continued use of Welsh as the* primary language, nurtured in the bosom of non-conformity, has fed the new capitals of the establishments within the university and the BBC. To-day, even a largely anglicised city like Cardiff has taken considerable steps towards bilingualism.

The bilingualism was fuelled by an articulate minority within the university and spread into politics via the national party, *Plaid Cymru, when the young* were alienated by the lethargic and Tammany Hall politics of a monolithic Labour Party, which then accounted for around 30 of the 36 parliamentary seats.

But in spite of its success in making Wales aware of its own identity—for it is a country where over a quarter of the people still speak the language—Plaid Cymru has not reaped the rewards at the polling booths for its noisy agitation. Three parliamentary seats won and a couple of local authorities captured—with 11 per cent. of the vote at the last general election—do not indicate sweeping success throughout the country. Even the fading force of liberalism gathered in 15.5 per cent. of the vote in 1974.

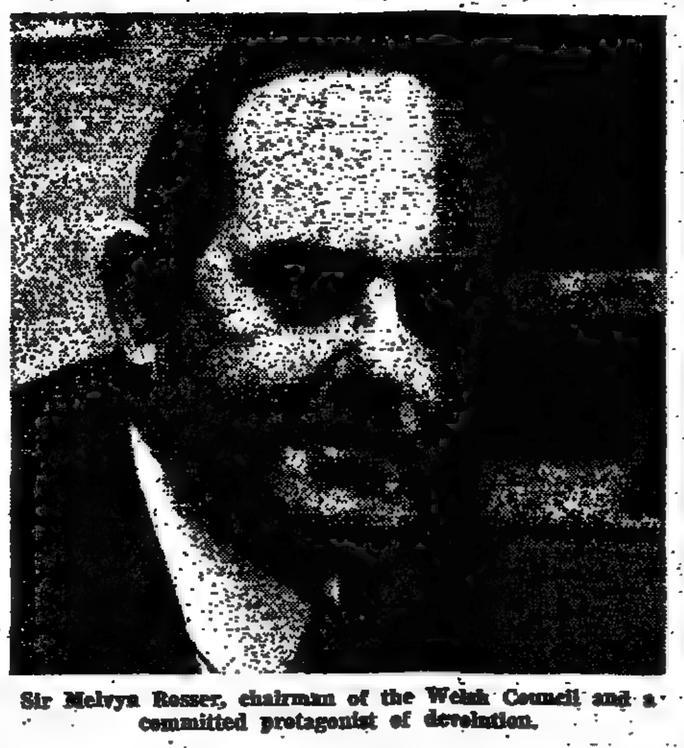
The real gainer has been the Conservative Party, which now has eight MPs and took 23.9 per cent. of the vote at the last general election. The days when the Tory finished behind the Communist have gone and the party, with some justification, has high hopes of capitalising even further among the suburban semis.

With such a politically divided Wales it is hardly surprising, therefore, that the opinion poll should have thrown up an almost equal three-way split between pro, con and don't know camps. In theory, the options being propounded range from separatism (Plaid Cymru) via Federalism (Liberals) and devolution of power (Labour) to outright opposition to the Assembly (Conservatives). But this is too simple, because within the parties there are also wide differences of opinion.

The Conservatives present the most unified front. They argue, with no little sophistry, that while devolution may be a good thing in theory, the proposed Assembly is complete anathema. In fact, they are largely against devolution, completely against a referendum and claim that the people of Wales do not want autonomy. The Welsh economy being completely integrated with the English, they see only gloom and doom in devolution.

Yet even the Conservatives do not present a solid front. One of their MPs, Mr. Geraint Morgan, has been careful not to be seen to be waving the anti flag with any enthusiasm. Mr. Morgan is considered something of a maverick — he not only wants a referendum, probably because he thinks it will support devolution, but has also *praised Mr. Heath for offering* in 1971 a free vote of Conservative MPs on the issue of entry to the Common Market.

Labour is badly divided. The party organisation, which approves a referendum, has supported devolution since 1963 and it was the Wilson Government that gave Wales a Secretary of State in the Cabinet the *following year.* But seven of *its* now depleted ranks of 23 MPs



Sir Melvyn Rosser, chairman of the Welsh Council and a committed protagonist of devolution.

are now openly urging a referendum—in the hope that a popular vote would throw out the whole idea—and it is thought that they are backed by one or two of the 11 Ministers who represent Welsh seats.

Although in theory the most committed to devolution, Plaid Cymru, is also racked by dissension. In its case, the argument revolves not so much around the principle as on the extent of the devolved powers. Everyone in the party accepts the need for a Welsh parliament; many, however, do not think the proposed Assembly goes nearly far enough towards that goal and urge that in any referendum—which the party wants—they should vote against Assembly. Such fundamentalists may not be in a majority, but there are enough of them to make life uncomfortable at a policy-making conference in Knighton on January 1 and 2.

Outside Plaid Cymru there is little concern about the different range of powers accorded to Wales compared with Scotland. It is conceded that Scotland has always had different legal and educational systems; that the discovery of oil in the North Sea gives a different dimension to its economic problems. "What Scotland gets is irrelevant to what we need in Wales," says Mr. George Wright, secretary of the Welsh TUC. "The problems of each country should be looked at separately. Solutions should reflect the needs of each country, not those of someone else."

The economic problems of the two countries are not so very dissimilar. High unemployment, poor infrastructure, declining basic industries, low level of job formation and an over-reliance on service industries exist in both. Some, like the Confederation of British Industry, think that devolution will not cure these problems.

Among CBI members there is widespread condemnation of devolution, which is considered a "thundering irrelevance." According to Mr. Ian Kelsall, secretary of CBI Wales, "we are seriously concerned at the cost of the whole project. If the Government has £10m. to spare, then we should much prefer to see it spent on improving the roads, building more houses and factories. At a time when the Government is cutting all other forms of spending, it is crazy to spend money this way, creating another layer of bureaucracy."

Industry is also very concerned that another layer of administration will inevitably lead to higher taxation. "A block grant would not be very satisfactory to the politicians for long. A local *income-tax* would come and, given the nature of politicians, they would load this on to industry rather than on to personal incomes. Any further taxation could seriously put back the incentives to invest *here*."

The CBI and the TUC meet on common ground over the need to reorganise local government. The reorganisation introduced by Mr. Peter Walker in *1973 is considered little short* of disastrous. If an Assembly comes about, it would leave Wales with six layers of government: community councils, district councils, county councils, Assembly, Westminster and, soon to come, Brussels. It is generally agreed that if there is an Assembly there must be further reorganisation of councils on a unitary basis. It is equally agreed that a second reshuffle in five years would create chaos.

If cost is the maypole around which the antagonists dance, the protagonists of devolution concentrate their case on the need to increase the democratic structure of government. Sir Melvyn Rosser, chairman of the Welsh Council and a partner in Deloitte, is a committed protagonist. "Devolution would be merely a development of what has been happening for some years now," he states. "When the Welsh Office was created in 1964, it had limited powers but it has grown to the point where it has considerable powers over all facets of Welsh life.

"But many of the *issues* it discusses takes place behind closed doors. If there is to be democratic political motivation and power then the issues must *be openly discussed*.

"As government grows, you need to look for a countervailing political power if you are not to destroy democracy. And if one is to play a full part in Europe, then you need more, not less, regionalism. If you do not involve the people on *the* spot more, you will have a bureaucratic machine that will subject the individual to distant powers.

"It is easy to relate this to Europe. But it also applies to large corporations. The nature of a large corporation tends to centralise control. A conscious effort has to be made to decentralise if the periphery is not to feel helpless."

Given the divisions within Wales, it is clear that only a referendum can settle the issue: for Wales to be given something it did not want would be ludicrous. A referendum would overcome this possibility, since the Government has conceded that it would not force the measure down Welsh throats if the proposals were rejected.

If a referendum were held to-morrow, the chances are that there would be insufficient votes in favour of an Assembly to carry the day. But it will not be held to-morrow. Mr. John Smith, the junior Minister who will bear much of the brunt of piloting the Bill through the Commons, said in Scotland last Friday that the referendum will not come until the Bill is on the Statute Book. And that is unlikely before the middle of next year.

Given a referendum in the late summer or, more likely, autumn, a different script will be written. By then, the Labour party organisation will have thrown its full weight behind the poll. Since Labour still polled 49.5 per cent. of the electorate in October, 1974, there are plenty of voters who can be herded into the protagonists' camp. What is probable is a narrow, but definite, vote in favour of an Assembly.

Everything would then de*pend on the strength of the anti* vote. Could you introduce a fundamental change in the constitution in Wales if, say, 40 per cent. of those voting did not want it? Britain went into the Common Market with a third voting against. That is the only analogy that can be drawn.

Letters to the Editor

Homes easily provided

From Mr. D. Liss.

Sir,—The homeless whose cause Shelter has espoused [pub]licly for so long, and with [suc]h poor results, will gain little [or] nothing from a discussion of [the] merits or demerits of the [19]74 Act.

Let Shelter now use its not *considerable lobbying powers* [to] promote a one-clause Private [Te]nancies Bill. Only owner-[oc]cupiers could become lessors. [Le]ases would be subject to the [or]dinary law of contract.

If the owner-occupiers of only [1]00,000 houses where accommodation is now under-utilised were to convert them into two or three flats, say, 150,000 new flats would be created at a cost which on any reckoning would be enormously lower than that which is now likely for new local *authority building*.

The cost could be funded without much difficulty by the addition to existing or the creation of new mortgages; building societies would enjoy security which would differ only in degree from that they have now as the new tenancies created would have specified terms.

For this reason, owner-occupiers would not be afraid of making parts of their houses available. They would also benefit from lower rateable values on that part of their houses they continued to occupy, while local authorities would benefit from higher aggregate rateable values created.

As the Bill would specifically exclude professional landlords (other than those few who might happen to be *owner-occupiers in* houses they want to divide) from its provisions it ought to be enthusiastically received in a very wide spectrum of political opinion.

David Liss.
49, Dale Street,
Chiswick, W.4.

Travelling costs

From Mr. R. Couldrey.

Sir,—In evidence given to a Select Committee on British Rail about commuting costs in the south east, Mr. A. H. Lovell, a Treasury Under Secretary, is reported (December 15) as saying that employers and employees must bear the extra costs of running the commuter services. The argument is partially based on an assumption that employees in the south east are better off.

We monitor costs and required incomes for several life styles throughout the country every four months. Our studies demonstrate that London commuters already pay a much higher percentage of income on travel. Examples are:

Salary	Travel % U.K.	London
c£4,000	14.0	17.6
c£7,000	11.6	13.6

These calculated figures incorporate a higher salary for London people of about £770, which is necessary to maintain the same life style but does not make them "better off." If London incomes are not up to about this amount (and more for higher tax payers), the percentage spent on travel increases and standards of living drop (that is they become worse off). Furthermore, the situation is steadily deteriorating, as our reports show that London Transport costs have risen about six percentage points more than elsewhere over the last year.

To increase allowances or salaries, as Mr. Lovell suggests, would require very significant salary increases to cover not only extra travel costs but also increased income tax demands. Apart from the immediate inflationary effect, this is liable to attract expensive comparisons under schedule 11 of the Employment Protection Act. On the other hand, failure to compensate for increased travel costs will further depress living standards.

I hope this helps to put the record straight, although it may drive more people "North of Watford," from where the undersigned operates and walks to work.

R. F. Couldrey.
Reward Regional Surveys.
1, Mill Street,
Stone, Staffs.

Finding reality

From Mr. D. Essex.

Sir,—Mr. Gourdie (December 17) is wrong. He asks "If a company has increased its profit under historical cost accounting by 26 per cent., and the rate of inflation over the 12 months has been 15 per cent., is its real growth not 10 per cent., by and large?"

While this is a rhetorical question it needs an answer, because the implication is incorrect. It implies that inflation has a uniform effect on all of a company's costs and revenues, and that this effect is more or less the same as the retail price index. This is not so. The impact of inflation is different for different companies and can also differ for the same company year by year. There are only two major areas where distortions arise in the HC accounts. These are depreciation and stocks. (It is not appropriate here to go into the monetary issue.)

The impact of inflation is different because some companies are labour intensive and some companies are capital intensive. Some companies have large stocks and some companies have little stocks. Some com*panies which previously had* large stocks subsequently have little stocks, and vice versa. Some companies' stocks go up in price quicker than other companies' stocks. This can also apply to plant and machinery. Not only that but the rate of price change for these assets for the same company can vary year by year, not necessarily at the same rate as the retail price index. The answer is to *first* translate historical cost profits into real terms, and *then*, if you wish, apply the retail price index to get a real growth rate.

By way of example we can look at the results of GEC and Pilkington, both of which carry current cost statements and which I have handy, and apply Mr. Gourdie's logic. GEC's 1976 profit in HC terms shows an increase of 26 per cent. over 1975. Pilkington's shows an increase of 48 per cent. over 1975. During the period the retail price index went up by approximately 15 per cent. Mr. Gourdie would, presumably, therefore expect the real growth rates of GEC and Pilkingtons to be 11 per cent. and 33 per cent. respectively. The current cost accounts, however show increases of 45 per cent. and 129 per cent. respectively, which would give real growth rates of 30 per cent. and 114 per cent. respectively. Vastly different from Mr. Gourdie's calculations.

David Essex,
11, Cambridge Road,
Wimbledon, S.W.20.

Several sets of books

From the Managing Director, Frederick Allen and Sons (Chemicals).

Sir,—Having noticed references being made with increasing frequency, particularly by politicians and economists, to the introduction of current cost accounting methods, may one who suspects that thousands of people will otherwise be in difficulties plead for some overlap in method of presentation of accounts to/by organisations to shareholders and others—including the Inland Revenue—so that, rather than throw out the baby with the bath water, an interim system of duplicate presentation, that is, accounts in both new and old style, be required for, say, five years? Thereafter it is to be assumed that those concerned will have either educated themselves to fall in line with new practices or retired—due either to age or *inefficiency*?

B. J. Mahoney,
Hatherley Wharf,
Bow Common Lane, E.3.

Expensive dividends

From Mr. R. Instone

Sir,—Why do companies which have incurred losses persist in following the ludicrous practice (a recent exponent being *MEPC*) of declaring trivial dividends for no other reason than "to maintain trustee status"?

It was, of course, a blunder in the Trustee Investments Act 1961 to allow the retention of trustee status to depend on the maintenance of equity dividends instead of equity profits. But surely directors or their advisers are, or should be, aware: (a) that only an insignificant proportion of trustees are still bound by the statutory restrictions on *investment*; (b) that *all* trustees who are so bound nevertheless have a statutory power to retain a holding which has lost its trustee status, and to subscribe for new shares if it makes a rights issue; and (c) that no trustee or investment adviser who knows his job will be influenced in favour of making a new investment in a company which has made losses by the circumstances that it paid an unearned dividend of negligible amount.

Directors who declare such dividends (which are disproportionately expensive in terms of administrative costs), far from enhancing the investment attractions of their companies, merely demonstrate their own capacity for muddled thinking.

Ralph Instone.
13, Old Square,
Lincoln's Inn, W.C.2.

Mortgage rates

From Mr. J. Kaufmann.

Sir,—Having recently acquired a sizeable mortgage and seen a minor reduction in interest rate followed by a swingeing increase within six months, I now face a further rise. So I consider whether or not to sell the house. But who will buy it if he cannot afford the interest? If I and many others decided not to pay the increase what will the societies do. They cannot sell their properties just as I cannot.

One wonders if the building societies have assessed the position correctly. They argue that if people can get better rates elsewhere their flow of funds dry up. They say that the only way to improve the inflow is to offer interest rates comparable with the types of investment open to the private citizen. This in turn means that existing or new borrowers will have to pay more.

The average mortgage in the third quarter of 1976 was £7,532. Two per cent. increase in interest leaves the borrower with £37 from his annual salary increase of £208 allowing for tax at standard rate on both. With inflation at 14 per cent. he will need more than £37 in 1977. Both expenditure and savings have to give. It is hardly surprising that people are not flocking to the doors of the societies.

It is, however, suggested that the argument that people are taking their savings elsewhere may not be tenable. They may not be able to save. A further complication is that over the past two months there has been a pre-Budget buying spree which may be repeated in April if the first dose of medicine from the Chancellor is not effective.

It is suggested that the best thing for everyone would be for the societies not to increase the rates until it can be established if the competitive interest rate argument is correct. If it is, they should then consider whether it is ethical to accumulate funds at the expense of the existing borrower. This accumulation will arise because there will remain the high probability that no new borrowers will come along anyway at the high rates.

When the economic situation eases and disposable incomes rise, new borrowers will come along and have access to the funds grown at the expense of the present borrowers. I don't feel philanthropic and doubt whether many others do.

J. E. Kaufmann.
63, Kensington Gardens Square, W.2.

Major project management

From Mr. J. Strafford

Sir,—The NEDO report on the construction industry has *convincingly demonstrated* some of the major weaknesses in U.K. construction. There are, however, two points which do not appear to have been covered. The first point is an historical one.

During the "property boom" rents increased at a faster rate than costs. The developer ignored cost control. A delay on a project often meant that the developer obtained a higher rent and a higher profit at the end of it. For two years or more the normal pressures on the industry for improving efficiency, keeping costs under control, and good programming were non-existent. Malpractices were allowed to mushroom. When manpower moved from these speculative projects to the more complex project such as a power station there was resentment by the work force to a more disciplined environment. The end of the "boom" will help to cure this problem, but the after effects may be with us some time.

The second point is concerned with the management of construction projects. Generally in the U.K. project management is done by either the contractor or the architect. When the project is going well this system is fine, but when things start to go wrong the first priority of either the architect or the contractor is to protect themselves against possible claims. Often the argument is between the architect and the contractor. It is at this point when *impartial* project management is most required in order for the work to proceed smoothly, but in the U.K. it is at this point where impartiality is impossible because one of the protagonists is also the project manager.

The solution to this is that the U.K. should adopt the system increasingly adopted abroad of appointing independent project managers, leaving architects to design and contractors to build, which after all are their main functions.

John E. Strafford.
"Peramo," Fulmer Road,
Gerrards Cross, Bucks.

To-day's Events

GENERAL

House of Commons debates economic situation.

Provisional unemployment figures for December issued by Department of Employment.

EEC Energy Ministers meet, Brussels.

EEC Agriculture Ministers end two-day meeting, Brussels.

National Union of Mineworkers' executive considers result of members' ballot on early retirement.

National Graphical Association Council decides whether to withdraw from ballot of national newspaper employees on introduction of new technology.

EEC delegation ends two-day talks in Tokyo on Community's plan to equalise world shipbuilding orders.

Parliamentary examiners continue inquiry into hybridity of Aircraft and Shipbuilding Industries Bill.

Sir Robin Gillett, Lord Mayor of London, attends Christmas service at St. Lawrence Jewry next Guildhall, E.C.2, 5.30 p.m.

PARLIAMENTARY BUSINESS

House of Commons: Debate on economic situation, including Tobacco Products Duty (Increase) Order and Surcharge on Revenue Duties Order.

House of Lords: National Insurance Surcharge Bill, third reading.

Select Committee: Nationalised Industries (Sub-Committee A) on British Rail, 4 p.m. Witnesses: Central London Consultation Committee and London Transport Passengers' Committee. Committee on Violence in the Family, 10.15 a.m. Subject: Violence to Children.

COMPANY RESULT

Granada Group (full year).

COMPANY MEETINGS

Border and Southern Stockholders, Winchester House, E.C., 11.30. Lister, Bradford, 12.30. Malayan Tin Dredging, 55-61, Moorgate, E.C., 12. Morland, Abingdon, 12.30. Southern Malayan Tin Dredging, 55-61, Moorgate, E.C., 12.15.

OPERA

English National Opera production of La Belle Hélène, Coliseum Theatre, W.C.2, 7.30 p.m.

MUSIC

Orchestra of St. John's, Smith Square, S.W.1, conductor John Lubbock, soloists Norbert Brainin and Peter Schidlof, perform Mozart's Divertimento for Strings K136; Sinfonia Concertante K364; and Symphony No. 40 (K550), 6.30 p.m.

"Start Christmas with Richard Baker." Orchestra of Royal Marines, with John Lawrenson; Goldsmiths' Choral Union, and Sound in Brass Handbells, Royal Albert Hall, S.W.7, 7.30 p.m.

German loss depresses Giltspur midway

THOUGH SALES were higher at £31.15m. against £25.41m. for the first half at Giltspur, operating profit was down 10 per cent. and pre-tax profit was adversely affected by losses at its German Expo subsidiary.

For the six months to September 30, 1976, operating profit was £1,356,000 against £1,507,000 and taxable profit lower at £379,000 against £556,000.

The effects of recession both in the U.K. and overseas have continued to be felt during the current year in most of the company's trading companies, but a gradual improvement in conditions has been seen in recent months says Sir Maxwell Joseph, the chairman.

The interim dividend is maintained at 0.9p net per 10p share. Last year's total was 2.4p on profit of £1.29m. The Board intends to pay at least the same final dividend of 1.5p for the current year.

Despite the aggressive action now taken to restructure the Expo company, its trading losses will continue for some months further, so their impact will bear heavily upon the group results for the whole of this financial year, says the chairman.

The general trading position remains much as it was at the last annual review. In the U.K. the fortunes of the operating companies depend largely upon the level of overall industrial activity and the state of the national economy. The group's interests in transport and warehousing, truck sales and engineering design have all had difficulty in producing acceptable levels of profitability, he says.

By contrast, Giltspur Precision Industries has achieved record levels of production for export. Exposystems company has increased its penetration of the French and North American markets, and the exhibit companies in the U.S. have also made good progress.

	Six months 1976 £000	1975 £000
Sales	31,150	25,411
Bullens Freight	[illegible]	[illegible]
Engineering	1,881	[illegible]
Expo. Ind.	5,013	5,153
Motor Indc.	[illegible]	[illegible]
O.P. profit	1,356	1,507
Bullens Freight	496	671
Engineering	75	76
Expo. Ind.	[illegible]	[illegible]
Motor Ind.	[illegible]	[illegible]
Service and prop.	20	[illegible]
From assoc.	4	[illegible]
Interest	[illegible]	[illegible]
Subsidiary loss	[illegible]	[illegible]
Pre-tax profit	[illegible]	[illegible]
Taxation	[illegible]	435
Net profit	[illegible]	411
Minorities	[illegible]	[illegible]
Attributable	[illegible]	[illegible]
Dividends	164	164

● comment

Interim figures from Giltspur underline the fact that recovery in the U.K. is getting under way. Trading profits are 48 per cent. up on the previous six months though they are still a tenth off the comparable period. All the divisions have improved profits against the previous six months, but only the motor side, which concentrates on commercial vehicles has managed to produce record interim profits. However, a further loss from the German exhibition hire business has hit the pre-tax performance, which is a third lower. Losses there are continuing at the same sort of level into the second half, though by the year-end the company hopes to have sorted out that subsidiary and put it nearer break-even for 1977. Giltspur's profits should climb over £1m. this year (it takes only £900,000 to cover the dividend) so the yield of 16 per cent. looks safe enough, though the shares at 24p are unlikely to show any strength until Germany is seen to be out of the red.

HIGHLIGHTS

After six months **Keyser Ullman** has made further provisions against property loans dragging the group into losses but there are reasonable prospects of a trading profit over the next year. **Illingworth Morris** has doubled first-half profits and a big recovery is expected for the rest of the year. Lex also takes a look at the scheme of arrangement document involving the acquisition of **Graff Diamonds** by **Sandstar** and the annual report of **Hanson**, which states that prospects for 1977 are excellent. Elsewhere, **British Steam** has turned in a mid-term gain of 36 per cent. and the company looks well placed to make up the shortfall of the previous year. At **Giltspur** there is a setback in interim profits due to a big loss in the German subsidiary while the second half should see a slightly higher figure than in the first.

Marginal rise at Bluemel

AFTER RISING from £121,227 to £130,245 in the first half, pre-tax profits of cycle and motor accessory manufacturers, **Bluemel Bros.** finished the 53 weeks to October 2, 1976 up from £234,682 to £278,348 on turnover of £3.7m. (£3.35m.).

Full year earnings are shown to be up from 5.66p to 6.24p per 25p share and the dividend is lifted from 3.035p to 3.3385p net with a final of 2.1135p.

	53 weeks 1975-76 £	Year 1974-75 £
Turnover	3,699,252	3,353,773
Trading profit	278,348	234,682
Tax	136,872	125,892
Net profit	141,474	128,820
Dividends	75,917	69,013
Prov. for loss in sub.	—	22,000
Prov. not required	15,230	—
Goodwill w/o	—	12,000
Leaving	81,289	23,803

Mr. B. J. Ditcham, the chairman says "demand is buoyant and 1976-77 should be a successful year, although raw material and other prices continue to escalate.

Gordon Johnson progress

DUE substantially to the inclusion of new subsidiaries in the U.S., profit before tax of engineers **Gordon Johnson-Stephens Holdings** improved from £207,972 to £284,056 for the six months to August 31, 1976.

The overall order book is currently at a high level and the directors expect record second-half earnings, making in aggregate a satisfactory level of profit. For the previous year profit was a record £474,606.

Earnings are down from 2.23p to 1.88p per 25p share at halfway; the net interim dividend is held at 0.5p—last year's total was 1.5p.

It is intended to change the year-end from February 28 to March 31—the next accounting period will be for the 13 months to March 31, 1977.

	Half year 1976 £	1975 £
Turnover	5,035,067	2,302,000
Interest	111,733	49,584
Pre-tax profit	284,056	207,972
Tax	161,699	110,823
Net profit	122,357	97,149

County and District revenue up

Rental income of **County and District Properties** expanded from £248,486 to £705,925 in the six months to September 30, 1976, and pre-tax profit rose from £65,031 to £111,868.

After tax of £58,171, compared with £33,818, earnings are shown to be up from 0.31p to 0.54p per 10p share. In the year to March, 1976, earnings were 0.78p and the dividend was 0.1p net.

The Board states that, apart from one unit at Enfield and the remaining accommodation at Chatham, all investment properties are fully let. The Chatham centre continues to enjoy a level of success. The disposal of certain investment properties is under active consideration, they add.

Advance for Vectis Stone

AFTER being up from £78,000 to £125,000 at halfway, pre-tax profit of **Vectis Stone** advanced from £248,496 to £344,780 for the year to September 30, 1976.

Earnings per 10p share are ahead from 2.06p to 3.04p and the dividend total is the maximum permitted 1.329p net, compared with 1.209p, with a final of 0.829p.

Sales, including inter-company transactions up from £398,492 to £473,716, advanced from £5,989,631 to £7,411,719. The tax charge was up from £142,000 to £187,028 and extraordinary debits amounted to £16,819 (nil) comprising terminal costs of £26,119 less tax of £9,300 incurred in the closure of the road haulage and warehousing business of E. H. Crinage and Son.

Retained profit for the period was £72,190 (£43,960).

Advance at North Brit. Steel

PROFITS before tax of the **North British Steel Group** rose from £572,662 to £854,444 in the year ended September 25, 1976 following the rise to £412,000 from £312,251 in the first six months.

The year's profit includes £3,025 (£15,725) arising from the sale of houses. Group turnover amounted to £7.73m. against £5.85m.

Net earnings per 25p share are 7.9p (5.3p) and the final dividend is 1.125p net making a total of 1.625p compared with 1.381p previously.

Tax takes £449,356 (£287,428) leaving net profit at £405,088 against £285,234.

Ladbroke's take-over 'unfair'

The back-dating of an increased "going-out" price for **Ladbroke Unsecured Loan Stock** gave the **Ladbroke Group** an unfair advantage in its £9m. take-over of **Essoldo** three years ago, a High Court judge ruled yesterday.

Mr. Justice Brightman said Ladbroke had had no right under the take-over contract to act behind Essoldo's back by securing cancellation of the original going-out price fixed by jobbers and the substitution of an increased price.

The judge granted Essoldo a declaration that, on the true construction of the take-over agreement, Ladbroke was bound, on completion, to issue to Essoldo £3,125,361 worth of Unsecured Loan Stock. This was part of the take-over price, the remainder being in cash and Ladbroke shares.

He also declared that in issuing only £2,857,460 in stock Ladbroke was in breach of its obligation.

He said he had no doubt that Ladbroke had secured an unfair advantage contrary to the implied terms of the contract.

The contract provided that the market value of the Loan Stock was to the middle market price for a period prior to completion as quoted in the official list of the Stock Exchange.

The price set by jobbers was subsequently altered and an erratum published in the Stock Exchange official list as a result of a misunderstanding that the jobber concerned had consented to the erratum, said the judge.

Coates Board retirements

Three directors of **Coates Brothers** are to leave the Board having each reached retirement age. Mr. A. D'A Ruck, Mr. R. M. C. Nunneley and Mr. A. A. Harrison are resigning after 30 years, 20 years and 32 years service respectively.

With effect from January 1, Sir Richard Meyjes, who joined the Board on June 24, 1976, has been appointed deputy chairman in place of the first two directors.

LAMPA SECS.

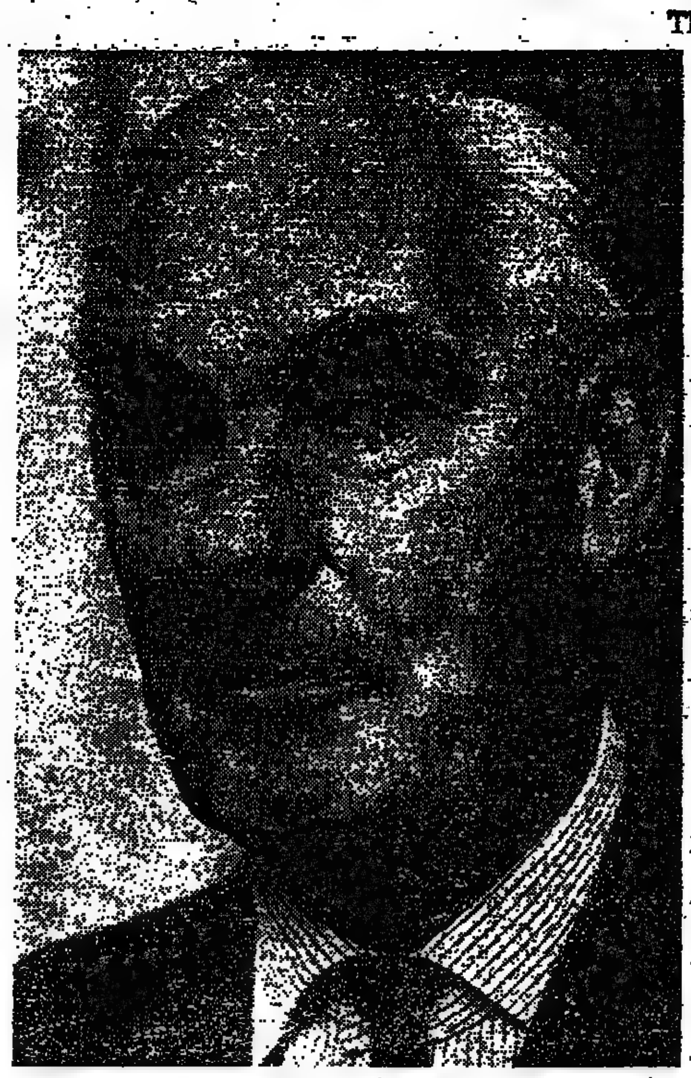
Lampa Securities has been put into members' voluntary liquidation with Mr. Alan Wheatley of Price Waterhouse as liquidator.

Listing of the shares on the stock exchange will be maintained pending final distribution of the liquidation proceeds.

It is intended to continue the business of Hugh Moss.

LASMO-SCOT

Following earlier agreed merger details between **London and Scottish Marine Oil** and **Scottish Canadian Oil and Transportation**, the companies now propose the consolidation by the cancellation of the Loan stock and oil production stocks of Scottish Canadian in consideration of the issue to holders thereof of equivalent nominal amounts of Loan stock and oil production stocks of LSMO.



Mr. Derek Wilde, chairman of Keyser Ullmann, which yesterday announced a pre-tax loss of £6.13m. for the half-year to September 30.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Inv.	int.	0.22	Feb. 25	0.2	—	0.68
British Steam	int.	1.5	Jan. 19	1.5	—	4.6
Chesterfield	int.	0.7	Jan. 29	0.6	—	3.35
Delson		1.51	Feb. 19	1.51	1.51	1.51
Giltspur	int.	0.9	Feb. 18	0.9	—	2.4
Gordon Johnson	int.	0.5	Jan. 28	0.5	—	1.5
Nth. British Steel		1.13	Feb. 21	0.98	1.63	1.38
Norton & Wright	int.	1.17	Feb. 2	1.07	—	3.65
Sogomana Group	int.	1	Jan. 25	0.49	—	2.75
R. W. Toothill	int.	Nil	—	1.25	—	4.13
Vectis Stone		0.83	Feb. 24	0.75	1.33	1.21
Bluemel Bros.		2.11	Apr. 2	1.81	3.34	3.04
Boustead	2nd int.	0.3	Feb. 16	—	0.7	0.4

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Standard Fireworks outlook

The directors of **Standard Fireworks** look to a satisfactory continuation of activities over the current year.

Sales are already in excess of 1975-76 by some £250,000; the cost of materials is rising and this must be reflected in 1977 prices, they warn. The company will trade in 1977 as hitherto, and marketing plans are already in operations.

Spencer Turner

Textile and general wholesalers, **Spencer, Turner and Boldero** reports turnover of £2.76m. for the half year to July 19, 1976 and profits of £31,567 before tax of £12,537. There was also a loss of £12,480 on disposal of a subsidiary.

Due to change in the year-end there are no comparable half year figures. For the year to January 19, 1976, pre-tax profits were £177,859 from turnover of £5.13m.

A single interim dividend of 3p net has already been declared (7.386p for 1975-76). Earnings per £1 share are 3.2p (15.5p).

Norton & Wright

For the half year to September 30, 1976, pre-tax profits of **Norton and Wright Group** were little changed at £273,887 against £273,242 on turnover of £1.3m. compared with £1.06m.

After tax of £143,000 (£142,000) earnings are shown at 4.66p (4.67p) and the interim dividend is 1.1738p (1.067p) net per 10p share. Last year's total was 3.645p paid from pre-tax profits of £418,024.

The company's interests lie in the production and distribution of fund-raising cards and schemes.

Progress at Wace Group

The **Wace Group** of printing plate suppliers, etc., lifted pre-tax profits from £36,300 to £70,800 in the first half of 1976 on turnover of £918,400 against £799,800.

The interim dividend is raised from 0.4p to 0.48p net per 20p share. Last Year's total was 0.0637p paid from pre-tax profits of £31,194.

After tax of £31,500 (£17,400), extraordinary items of £11,690 (nil) and minorities, the attributable balance is up from £16,450 to £25,160.

F. PARKER

At the annual meeting of **Francis Parker**, the concrete and development company, shareholders agreed to adjourn the meeting until February when the accounts for the year ended March 31, 1976 will be considered.

In November, the group announced that its accounts had been delayed following the sale of its marine and land-based gravel and ready-mixed concrete interests to Amey Roadstone in a deal worth £2½m.

Midland Yorkshire

Sales of **Midland-Yorkshire Holdings** amounted to £11.92m. in the half year ended June 27, 1976, and profits were £505,000 before tax of £263,000.

The company is now a wholly-owned subsidiary of Croda International and its year end has been changed to December 28. In the previous half year (to September 30, 1975) turnover was £9.91m. and profits £693,000 subject to tax of £313,000.

In the 15-months period to June 27, 1976, Croda International made a number of loans to the company. In the half year to June 27, 1976, pre-tax profit is after deducting a management charge from Croda of £599,000 which includes interest on these loans.

DAWSON INTNL.

Dawson International has bought, for cancellation, £432,500 of 7 per cent. Debenture Stock 1985-90 and £190,000 of 10¼ per cent. Debenture Stock 1990-95.

HESTAIR-SPEAR & JACKSON

Hestair has sent out the formal documents relating to its contested offer for **Spear and Jackson**, the Sheffield cutlery and hand tools group.

Spear and Jackson shareholders are told by Hestair chairman, Mr. D. Hargreaves that they have two alternatives: "accept this offer, make an immediate gain and share in the benefits from the future performance of Hestair, or remain with an investment in a company with a declining record making insufficient profit to keep pace with inflation."

The terms of the offer—with Hestair closing unchanged last night at 75p—value each Spear and Jackson share at 112½p. However, Spear and Jackson ended yesterday 5½p higher than that value at 118p, up 6p on the day, having touched 120p. It has already been confirmed that an alternative bid, possibly from abroad, could emerge. Hestair's offer, which values Spear and Jackson at just under £6m., closes on January 13.

Spear and Jackson shareholders are told by Hestair, which already has 18½ per cent. of the group, that S and J's return on capital in 1975 was lower than the rate of inflation "and below that necessary to support growth in an inflationary climate."

The document also reveals that Hestair is to dispose of subsidiary Johnsons of Hendon to Immatra A.G., part of the Eumig group of Austria, for around £650,000 in cash.

First half rise at British Steam

FOR THE half year ended September 30, 1976, turnover of the **British Steam Specialties Group** rose from £9.98m. to £12.96m. and pre-tax profits were higher at £687,000 compared with £506,000 in the same period last year.

The net interim dividend is maintained at 1.5p per 20p share. The previous total was 4.6p from pre-tax profits of £1.16m.

Tax charge in the half year is £357,000 (£263,000). An amount of £202,000 (£115,000) is retained.

The group trades as specialist suppliers of pipeline equipment.

● comment

A 36 per cent. rise in first-half profits seems to have put British Steam safely on course for a full recovery from the previous year's downturn. Last year the group appeared to misjudge its demand prospects and embarked on an expansion programme, including a new central warehouse for its pipe fitting products, shortly before a sales slump which gained pace in the second half. The group has since carried out an extensive cost-cutting exercise—trimming staff by 10 per cent.—and orders are now starting to pick up, particularly on the manufacturing side where the order book is up on the corresponding period. Against this, though, the distribution side, which is largely a day-to-day business, must still be vulnerable to any sudden switches in demand. In view of the current uncertainties regarding industrial investment, that must restrict the upward potential of the shares, which at 59p are yielding 12.3 per cent., covered twice on a p/e of 8.2.

The half year's ... March 31, 1977, ... separate warrant.

Howard Tenens expand

THE Swindon-based ... and transportation ... Tenens is expand... Europe.

Its Belgian off... has just opened ... warehouse in Ant... are already on the ... for a second unit ... volve an investm... £800,000.

The new wareho... represents the firs... ment by the Belgia... Howard Tenens to ... tex in 1973.

"As a group we ... to see the bulk of ... overseas but we ... justify it," says Mr. ... chairman. "Over t... Tenens Services ... further in Europe.

Laporte Industries

The directors of **Laporte Industries (Holdings)** state that since the number of holders of the company's 5¾ per cent. Debenture stock 1971-76, as at April 1, 1976, was not more than 100, the sinking fund instalment of £60,000 to be set aside in the year ending March 31, 1976 will be applied on March 31, 1977. The redemption of stock at par in such manner that a proportionate part (to the nearest £1 of redeemable stock) of each holder's holding will be redeemed. This will involve the redemption of approximately £46.55 out of every £1,000 of stock held.

Manganese Bronze dividend

Manganese Bronz... been advised that t... trustee status of ... shares is in doubt ... dividend of 0.25p n... sidered not to have ... that year.

Payment was ap... cember 31 and warr... shareholders on th... ever, in accordance ... practice, the warran... on the day on whi... holders were deem... them, namely Janu...

The directors wi... further advice on ...

LEX SERVICE

Lex Service Gro... chased £50,000 nom... per cent. unsecure... 1992-97 for cancel... amount now ou... £5,366,764 nominal.

MINING NEWS

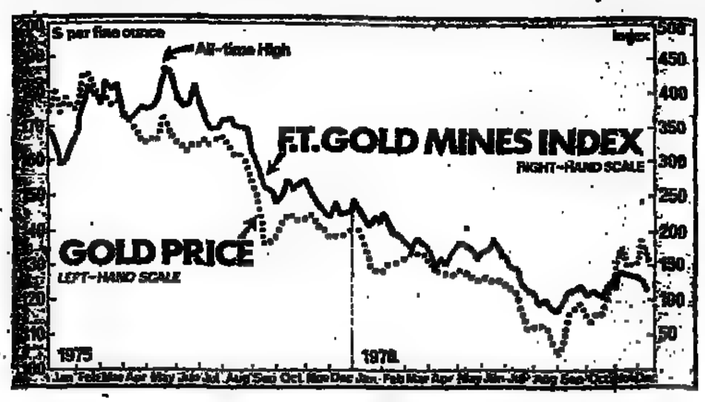
Rand Selection looks ahead

BY KENNETH MARSTON, MINING EDITOR

"THE SIGNS are," says Mr. Gavin Relly, "that the world is not yet ready to part with trusted and politically secure asset." As chairman of the Anglo American group's Rand Selection Corporation, which obtained 55 per cent. of its income in the year to September 30 from gold and uranium, he is talking of gold. And he feels that while there is likely to be a limit to any upward move in the metal price in the near term a more confident outlook is now justified.

Mr. Relly points out that Rand Selection's fortunes are closely allied to South Africa as a whole and that it is "essential that wiser and more forward looking policies should manifest themselves to restore the faith of both local and its problems spring from the general economic situation and the Commonwealth Government's response to it.

On the specific issue of the international bullion price, Mr. Buckett said he thinks a continuation of the rise can be viewed with optimism. In fact the rise has been checked since the last International Monetary *Fund auction and the price closed* yesterday at $132.125 an ounce.



foreign investors in the potential of South Africa so that the economy can advance again."

The group's other main sources of investment income in the past year were: Industrials 20 per cent.; diamonds 11 per cent.; and finance 5 per cent. Gross assets at September 30 totalled R1.28bn. *(£831m.) while the ordinary* shareholders' equity on November 30 was valued at 1,477 cents (£10.18) per *share.* The latter were 365p in London yesterday.

AUSTRALIAN GOLD MINERS HOPEFUL

The net devaluation of the Australian dollar may provide the climate for a partial recovery of the Australian gold mining industry. This muted statement of optimism has come from the chairman of the Australian Gold Producers Association, Mr. R. C. Buckett.

But Mr. Buckett is cautious in his predictions because he fears that, although the devaluation might increase revenue, the gains could be quickly eroded by increases in costs.

He was speaking at the Association's annual meeting and his comments reflect the general feeling in the Australian mining industry about the devaluation of the Australian dollar. It is considered that the industry has a breathing space, but that many of

KEATING REBUTS BULA CRITICS

The Irish Minister for Industry and Commerce, Mr. Justin Keating, has defended his Government's decision to pay around *£10m. for a 24 per cent. share in* Bula Mining when its own advisers valued the stake at around £3m.

He said the Government estimates were deliberately pessimistic because they were intended for submission to neutral arbitrators, who fixed the final figure, which the Government believes will be just under £10m.

Mr. Keating claimed that wen it was taken into consideration that the Government had already received a 25 per cent. share for nothing, an investment of £10m. to bring its stake up to 49 per cent. would be seen to be a good bargain.

A document on the deal which has come into the possession of the Irish Times newspaper has been the subject of a warning *from the Government* that publication of its contents could be an offence under the Official Secrets Act.

Mr. Keating, himself a former journalist, said it was necessary to protect the confidentiality of firms otherwise it would be impossible to carry out the work of his department.

BP considers mining link with RTZ

A BRITISH PETROLEUM spokesman in London has confirmed that the group has established a new division to investigate the possibilities of starting mineral production. He said that BP envisaged joint ventures with established mining houses and that Rio Tinto-Zinc is a possible partner.

BP's move is in line with the general trend of oil groups moving into the extractive industries and complements the group's existing involvement with coal production.

Although the BP spokesman said that the new division will investigate any opportunities that may arise, the specific mention of RTZ adds substance to rumours of a joint venture, which have been circulating in the Stock Exchange over the past week.

It now seems clear that the joint venture will not be of the type which will have any short-term impact on the market performance of either BP or RTZ. Rather the link between the two groups is related to the next generation of mineral production.

RTZ has a 20 per cent. stake in a consortium led by Kennecott Copper of the U.S. This consortium was established in 1974 to develop systems of exploiting the mineral wealth of the ocean bed. An announcement is expected later this week spelling out the details of a purchase by BP of a part of RTZ's stake in this consortium.

Yesterday RTZ were up 3p at 175p and BP were 760p.

KEATS WINS AT WESTRALIAN

The boardroom struggle at the Australian beach minerals producer, Westralian Sands, has resulted in at least a provisional victory for the chairman, Mr. Arthur Keats, and the directors who support him. Their opponents for seats on the Board were supporters of the deposed chairman, Mr. Tom Cook.

A poll taken at the annual general meeting three weeks ago and since counted by the auditors, Coopers and Lybrand, resulted in only one new director being appointed, thus confirming in place the majority of the existing Board.

But our Perth correspondent reports that the new director, Mr. Ken Court, was nominated by Mr. Cook, and that deep divisions remain among the Board members. He adds that the poll was apparently extremely difficult to count and may still be open to challenge. One of the issues dividing Mr. Keats and Mr. Cook has been the Westralian link with Lennard Oil.

Charter's tin setback

A CLOUD over Malaysia's determined efforts to encourage foreign investment has been cast by the news, reported in Saturday's Financial Times of the calling-off of the tin mining 55 per cent.-45 per cent. development partnership between the Selangor State Government's Economic Development Corporation (SEDC) and London's Charter Consolidated.

In the Selangor Legislative Assembly the Chief Minister, Hormat Rafei, is reported as having said that SEDC would go it alone in working the proposed 36,000 acre site in the Dengkil-Kuala Langat area, 30 miles from Kuala Lumpur. The joint venture, he indicated, was not in accordance with the new economic policy.

He implied that the agreement earlier reached of Charter and Tronoh, with a joint 45 per cent. interest, and Malaysia's former Crief Minister, Datuk Harun Idris, and Tahir Rahim, the general manager of SEDC, was not valid as it had not been brought to the State cabinet or to the SEDC board of directors.

Charter does not see things this way. Having spent in good faith some $M2.5m. (£0.53m.) on a preliminary feasibility study the group feels at least entitled to reimbursement from Selangor for this work. It is a very disheartening development, especially in view of the efforts Malaysia has made to encourage British capital, such as the Pernas-London Tin deal.

One can only hope that Malaysia's Federal Government will not allow the goodwill that has been built up between investors in the two countries to be prejudiced by the reported attitude of Selangor. Charter were 127p yesterday.

SOUTHERN KINTA COMES OUT WELL

Despite the enforced suspension of its operations in Thailand, the London Tin group's Southern Kinta has achieved a net profit for the half year to September 30 of £543,000 compared with £323,000 in the same period of last year and the total for the 12 months to last March of £536,373.

Tin concentrate sales in the latest half-year fell to 796 tonnes from 950 tonnes a year ago, but the price received rose to $M1,174 per picul (£4,567) per tonne against $M960 (£2,994 per tonne). Furthermore, there was a special credit on the latest occasion of £200,000 surplus on buffer stock.

Similarly, Kamunting has done better thanks to a higher metal price and a buffer stock surplus. As a result the half-year net profit comes out at £36,500 compared with nil in the same period of last year and the 1975-76 total of £166,602. Southern Kinta were 75p and Kamunting were 34p yesterday.

WHIM CREEK

A feature of mining sharemarkets yesterday was the jump of 35p to 105p in shares of Whim Creek, *a member of the Canadian-Irish* Northgate Exploration group. Market talk was that the buying had been inspired by the group's exploration progress at its silver-lead-zinc prospect at Carrick in the southern part of the Isle of Man, near Castletown.

However, our correspondent there reports that geological testing of the find is still being carried out and that the drilling programme is not expected to start until early in the New Year. Shares of Northgate eased 10p to 380p.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	38¼	28¼	Utd. Technologies US$5	£32¼	+1	Q$1.20	—	2.5	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
††	F.P.	18/2	£98	£97½	Adams Foods 15% Conv. 1981-83	98	...
£94	F.P.	28/1	97½	95½	Essex Water 9% Red. Pref. 1982	97½	...
US$100	F.P.	—	$101	$99	Gotaverken AB 8% Guar. Notes 1982	$101	+1¾
US$100	F.P.	—	$99¾	$92½	Gotaverken AB 8½% Guar. Bds 1985	$99½	−¼
US$100	—	—	$99	$93½	I.U. O'seas Finance 9% Guar. Bds 1983	$99	+¼
US$100	F.P.	—	$100	$96½	Kockums Mek 8% Guar. Notes 1983	$99½	+¾
[illegible]	F.P.	—	KD98¾	KD98	Korea Development Bk. 8¾% Guar. Bonds 1979	KD98¾	+¼
[illegible]	F.P.	—	KD97¾	KD97	Korea Development Bk. 9½% Guar. Bonds 1981	KD97¾	+⅛
US$100	F.P.	—	$100	$98	Midland Int. Fin. 8¾% Guar. Bds 1986	$98½	−⅛
[illegible]	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	70	...
100	F.P.	—	$c99⅛	$c99	Nova Scotia (Prov. of) 9% Db. 1983	$c99⅛	...
[illegible]	F.P.	—	$101¼	$99	Polysar 9¼% Deb. Series 'D' 1986	$101¼	+1¼
[illegible]	F.P.	—	$99⅛	$95	Sth. of Scotland Elec. 8¾% Guar. Notes 1981	$99⅛	...
[illegible]	F.P.	—	$99½	$98	SodraSkogsagarna 9¾% Guar. Bds. 1986	$99¼	...
£94	F.P.	7/1	96½	94¼	Tendring Hundred W'works 9% Red Pf. 1981	96½	+½
US$100	—	—	$96½	$96½	Urquijo Intl. Guar. Float Rates Notes '81	$96½	...
—	F.P.	7/1	75½	71	Willis Faber 7% Cum. Pref.	72	...

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Renunc. Dates †	‡	1976 High	1976 Low	Stock	Closing Prices p***	+ or −
[illegible]	Nil	—	—	½	¼	Aberdeen (city of) Land Assoc.	½pm	...
[illegible]	F.P.	10/12	28/1	75½	58	Assoc. Engineering	75	+7
[illegible]	$A2	—	3/12	560	375	Broken Hill Props.	485	−15
[illegible]	F.P.	20/12	10/1	85	70	Chloride Group	85	...
[illegible]	F.P.	6/12	7/1	15	11½	Cray Electronic	15	...
[illegible]	F.P.	3/12	17/12	242	189	National Bank of Australasia	242	+7
[illegible]	F.P.	18/6	—	197	128	Western Mining	146	...

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. v Figures based on prospectus or other official estimate for 1976. g Gross. τ Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † provisional or partly-paid allotment letters. § With warrants. ◊ After suspension. ☐ Kuwaiti Dinar.

Hanson Trust optimistic

Mr. James Hanson, the chairman of Hanson Trust, says in his annual statement that despite the problems besetting Sterling the Board believes firmly in the long-term prosperity of the U.K. There are good opportunities here and on the Continent which the Board is constantly investigating and assessing.

The Board has every intention of increasing investment and growth in the U.K. in profit and sales terms, although the U.S. element has outstripped the U.K. and will produce over 60 per cent. of profits in forthcoming year.

"We have an enviable record of growth in assets and earnings per share and we intend to work hard *to maintain this record.* Early indications are that the 1977 prospects for Hanson Trust are excellent," he declares.

The company is looking very seriously in Europe, members are told, it had changed its mind about an acquisition in Europe in 1973, but was now having another look. It also has "a lot more to do in America."

See Lex

Progress by London Shop Property

Sir Cyril Black, chairman of London Shop Property Trust, told the annual meeting that during the period May 1 to November 30, 1976, the company's house-building subsidiary, Trend, had effected sales of 71 houses and the programme of building was continuing on normal lines.

"In addition, there had been complete, or arranged, sales of other properties for which the considerations amounted to £866,750. This compared with the 1972 valuations or subsequent cost of £810,000, which "confirms my view that our properties are fully worth, in the aggregate, the figures at which they stand in the balance sheet."

Sir Cyril also told shareholders that debt was being steadily reduced and that in the foreseeable future he anticipated no circumstances which would require the transfer of further funds to the companies in the dollar area.

£1m. for St. Kitts' stake lowers shares

Market hopes for generous nationalisation terms for St. Kitts (London) Sugar Factory's stake in St. Kitts (Basse Terre) by the government of St. Christopher Nevis Anguila were dashed yesterday with the news that the consideration is £1m., almost one half book value.

The money is payable in instalments over the next five years, the last on December 17, 1980, with interest at 6 per cent. on the outstanding balance. After St. Kitts tax and pension liabilities, the proceeds due to St. Kitts (London) for its 51 per cent. stake is estimated at £850,000 or 11p a share. The book value of the nationalised interest in full at October 1975 was £1.89m.

Yesterday St. Kitts (London) shares dropped 17p to 143p after touching 130p.

Celestion surges to £247,500

SALES CLIMBED from £3.52m. to £5.04m. and taxable profit more than doubled from a depressed £103,400 to £247,500 for sound reproduction equipment and clothing manufacturers and distributors Celestion Industries, for the half year to October 1, 1976.

The midway results confirm their earlier forecast that the profit for 1976-77 should exceed the £656,806 for the previous year, say the directors.

Earnings per 5p share improved during the six months to 0.6p (0.36p).

	Half year 1976 £	1975 £
Sales	5,037,400	3,515,000
Operating profit	235,000	43,500
Div. income	12,500	12,389
Interest recd.	—	17,800
Except. stock gns.	—	29,600
Pre-tax profit	247,500	103,400
Taxation	125,000	26,800
Net profit	122,500	76,600

Delson turns in £130,349

For the year ended July 31, 1976, bolt and nut makers and distributors, Delson, has turned in pre-tax *profits of £130,349 on turnover of* £4.49m. In the previous year, the figures were £369,999 and £5.26m. respectively.

First half profits had dropped sharply from £220,300 to £55,143 and the directors said then that they did not expect to produce a *profit much in excess of £120,000* pre-tax for the year.

Earnings per 10p share are 2.5p (7.9p). The net dividend is held at 1.3073p—waivers have been received on 300,000 shares.

Illingworth Morris £0.66m in front at midway

AN UPSURGE of £0.66m. in pre-tax profits is reported by Illingworth, Morris and Co. for the six months to September 30, 1976. The figure for the period is £1.44m., already £0.6m. in advance of the total for the last full year.

The directors say that there has been a considerable improvement in overseas trading and order books show a healthier position.

Results for the full year should show a "significant" improvement over the last full year, they add.

An interim dividend of 0.567p (same) net was paid on October 6 and it is the directors intention to pay a second interim of 0.256p (same). Total distribution should not be dissimilar to the 1.197p paid last year, the directors forecast.

The company manufactures wool and cotton textiles.

	Six months 1976 £000	1975 £000	Year 1975-76 £000
External sales	55,024	43,544	89,621
Home	24,562	20,097	43,501
Direct export	23,732	18,375	35,339
Indirect export	4,950	4,109	8,255
Overseas	1,780	963	2,526
Trading profit	3,447	2,255	3,945
Investment income	120	150	246
Depreciation	565	548	1,075
Bank interest	1,565	1,080	2,274
Profit before tax	1,457	777	842
Taxation	732	403	436
Minority interests	245	133	308
Available	480	240	106

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Akzo NV, Bell and Sime, Catalin, Cooper Industries, Electric and General Investments, Equity Consort Investment Trust, *Alexander Russell.*

Finals — Barranquilla Investments, Charter Trust and Agency, Granada, Land and House Property.

FUTURE DATES

Interims—

Associated Tooling Industries	Dec. 29
London Atlantic Investment Trust	Jan. 20
Paterson (R.)	Dec. 23
WGI	Dec. 22

Finals—

Glasgow Stockholders Trust	Feb. 4
Imperial Group	Feb. 3
Trident Television	Jan. 19

Hardys & Hansons tops £1.5m.

TURNOVER OF brewers, etc., Hardys and Hansons rose from £6.67m. to £8.22m. for the year to October 1, 1976 and pre-tax profits advanced from £1,296,501 to £1,504,473 after £0.63m., against £0.54m. for the first half.

Full year earnings are shown to be up from 11.82p to 13.887p per 25p share before extraordinary items and the dividend total is lifted from 5.5p to 6.4p net with a final of 4.6p. The Board is of the opinion that the company is close.

Tax takes £802,591 (£697,961) while a net surplus on sales of fixed assets adds £114,830.

The directors state that, profits have been maintained at a higher level than is normally the case in the second half. Investment in new processes and techniques is making a significant contribution to group profits.

The company has acquired a *controlling interest in a toy* manufacturing and litho company with in-plant printing facilities. Consideration for the 65 per cent. interest of Gainsborough Press is £16,965.

Chesterfield Props. up halftime

TAXABLE PROFIT of £513,000 is disclosed by Chesterfield Properties for the first half of 1976. This compares with £386,000 in the previous comparable period (excluding overseas results).

Profit is struck after associate *losses of £90,000 (nil).* As a result of sales and lettings since June 30 associate losses will be at a significantly lower rate in the second six months and the directors anticipate that the companies concerned will trade profitably in 1977.

The result takes no account of realised capital profits of about £2m. after tax including a substantial contribution from associates.

	Six months 1976 £000	1975 £000
Turnover	1,553	1,327
Income	1,248	1,006
Interest	566	565
Outgoings deferred dev.	84	55
Share losses associates	90	—
Pre-tax profit	513	386
Taxation*	293	148
Other income†	220	238
Minority interests	3	—
Attributable	217	238
Dividends	69	78
Retained	148	160

* Abnormally reduced by taking credit for substantial capital allowances on property since sold. † From completed properties and other activities.

Earnings per 25p share for the half year are 2.21p, against 2.42p. The net interim dividend is 0.7p taking £217,000, compared with *0.79693p costing £238,000 including* £9,000 paid to correct a deficiency in the final dividend for 1974. Dividend total for 1975 was 3.84857p and profits £789,000.

Interest and other outgoings during the six months of £194,000 on properties held for, or in the course of, development have been capitalised.

£0.15m. for Dent Fownes

Glove manufacturers and warehousemen, Dent Fownes announces turnover of £541,280 and pre-tax profit of £154,973 for the half year to July 19, 1976. For the previous 12 months the figures were £2,523,137 and £262,012 repectively.

Earnings per 20p share for the six months are 1.75p against 4.81p —a dividend of 0.6p net has already been announced, compared with 1.54p in the previous year. The year-end has been changed to July 19.

	Half-year 1976 £	Year 1975-76 £
Turnover	541,280	2,523,137
Pre-tax profit	154,973	262,012
Taxation	84,216	101,117
Minorities	15,877	9,730
From currency res. †	—	8,821
U.K. defd. tax*	35,930	—
O'seas sub's profit	3,574	—
Balance	22,524	160,956

* For prior years. † To January 19, 1976.

The company, controlled by Anglo-African Finance Co. has acquired the Textile Investment Company subsidiary, Haighton and Dewhurst, which made a pre-tax profit of £513,556 in the 55 weeks to July 19, 1976, compared with a forecast of £490,000. For the 12 months to June 28, 1975 the figure was £105,625.

Stated earnings per 20p share are 5.07p for the 55 weeks, against 1.73p—a 0.66p net dividend has already been announced, compared with 0.6p in the previous year. The year-end has also been changed to July 19.

Haighton and Dewhurst makes non-woven fabrics and is engaged in printing, finishing and converting synthetic and cotton fabrics.

	55 wks. 1975-76 £	Year 1974-75 £
Turnover	10,564,989	8,412,068
Pre-tax profit	513,556	105,625
Tax	290,777	32,214
Minorities	390	987
Extra-ordinary items	10,000	—
Leaving	212,389	72,424

RUDDS WOUND-UP

Rudds, of Southampton, one of the biggest Volvo car distributors on the South of England, has been compulsorily wound up in the High Court.

Mr. Justice Slade made the winding-up order on a petition by Industrial Bank of Scotland, a creditor claiming £52,853. Rudds, was not represented at the hearing.

Keyser Ullmann deficit after £6m. provisions

AFTER exceptional provision for bad and doubtful debts and other provisions amounting to £6m., and exchange rate adjustments on existing provisions of £0.7m., merchant bankers **Keyser Ullman Holdings** incurred a pre-tax loss of £6.13m. in the half year to September 30, 1976 compared with profits of £472,000 for the last first half and a loss of £3.31m. for the year to March 1976.

There has been some reluctance on the part of prospective tenants to enter into new commitments while the present uncertainties remain, say the directors, and purchasers are looking for higher yields on the properties they acquire.

This is a situation which cannot be ignored although the Board hopes it will not last for long. The Board has therefore decided to make a further provision of £6m this half year.

The operating profit of £0.57m. (£1.47m.) includes a loss of £377,000 (loss £430,000) of the Dennington Group.

The Board has brought into account in the half year £2m. of the provisions already made to meet financing costs—leaving £3m in hand. By March sales and lettings now in hand will be completed, to increase annual income by over £1.5m. The directors also hope by that time to reduce the Dennington trading loss and a reduction in interest rates would help the position still further.

European interests continued to do well and the group's Swiss bank is heading for a record year, it is stated.

There is a reasonable prospect that during the next year the group's realisation activities, together with the economies which have been put in hand, and the further development of the general banking business, will enable the group to achieve a current trading profit without any recourse to the financing provisions which have helped it during the last eighteen months, members are told.

After tax of £132,000 (£41,000) and a provision for the industrial subsidiaries of £36,000 (£1,300,000) etc., loss retained is £6,316,000 (loss £993,000). Shareholders funds stand at £30,373,000 (£41,017,000).

Following the AGM interest rates started to move up and the exchange value started to move down, both to record levels. Fresh uncertainties were introduced into a property market which had seemed to look a little more encouraging. None of this is good for Keyser Ullmann, members are told.

At the subsidiary **Hocroft Trust** turnover for the six months was £1.55m. (£4.417m.) and group loss of non-banking interests was £139,000 (loss £530,000) before tax recoverable of £1,000 (nil). The loss attributed to the banking associate was £2,285 (profit £445,000) and the attributable loss was £2.46m. (loss £1.5m.) after extraordinary debits of £36,000 (£1.5m.) and minorities.

See Lex

Allied Inv. £0.31m. at midway

COMPARED with a forecast of not less than £270,000, pre-tax profits of **Allied Investments** was £309,000 for the half year to October 31, 1976, compared with £170,000 in the previous comparable period.

Turnover up from £1.74m to £5.16m reflects two major contracts for management of hospitals in the United Arab Emirates and the acquisition of Caterers Buying Association.

Since the balance sheet date the liquidity position has improved considerably and the group is now well poised to take advantage of further expansion opportunities and to develop the existing business to its full potential, say the directors.

The net interim dividend is raised from 0.20009p to 0.220099p—last year's total was 0.68254 and profits £319,481, a record.

	Half-year 1976 £000	1975 £000
Turnover	5,158	1,7[illegible]
Trading profit	436	245
Interest charges	127	75
Profit before tax	309	170

Scottish Inv. Trust

Following the merger with The Second Scottish Investment Trust Co., which gives a total assets figure of £92.4m., the directors of **Scottish Investment Trust Co.** intend to continue the previous investment policy and believe that the objectives of soundly based capital growth and of consistent improvement in income can be pursued hand in hand.

As reported on November 26, pre-tax revenue rose from £1.14m. to £1.25m. in the year to October 31, 1976 and the dividend is 2.05p (same).

Franked investment income rose by 15.9 per cent. to £0.85m. The increase derived partly from higher dividends and partly from the receipt of a full year's income from stocks bought in 1975 out of money previously held on short term deposit. The total of unfranked income was little changed, but there was some change in the composition, with a fall in short-term deposit interest being offset by higher overseas dividends, which were also increased in sterling terms by the falling pound.

During the year there has been considerable comment about the high level of discount at which investment trust share prices have stood in relation to underlying asset values, states the chairman, Mr. Angus Grossart. It is clear that some part of that discount can be attributed to costs which might arise on a break-up, such as capital gains tax, dollar premium surrender and costs of realisation, he says, but there remains a large part of the discount and it is suggested that this reflects some measure or rating of investment performance.

The directors do not think that this conclusion is justified and there is evidence that the relative discount in different trusts can move up or down without direct regard to individual investment performance. It is also clear that over most periods of time the investment performance of the investment trust sector has been satisfactory, he adds.

First half loss at Toothill

The six months to September 30, 1976, at furniture manufacturers, R. W. Toothill, sees sales £0.5m. adrift at £1.37m. and a sharp downturn from a profit of £177,862 to a pre-tax loss of £69,671.

However, the directors say that they are confident that steady progress is being made towards a more normal production flow and that losses will be eliminated by the end of the full year. Profit for the whole of last year totalled £303,868.

Loss per 25p share is 4.78p (earnings 12.2p) for the half-year and there is no interim dividend against 1.25125p. Last year's final was 2.87775p.

The half-yearly pre-tax loss is struck after depreciation, etc., of £38,926. There is a tax credit of £36,229 (change £92,488), leaving a loss of £33,442 (profit £85,374).

BIDS AND DEALS

Elbar purchase from Anglo Thai

Elbar Industrial is to buy John Fry (Holdings) from the Anglo-Thai Corporation for £1.4m in cash and is to take over a £900,000 loan from the parent company.

The acquisition is conditional on Elbar shareholders approving the sale of 570,000 shares, part of its 900,000 holding, in Tanganyika Concessions which itself holds 46.7 per cent. of Elbar.

In September Elbar shareholders turned down a scheme whereby Tanganyika Concessions would have acquired the oustanding balance in Elbar at 205p a share in cash and the cross-holdings cancelled.

The current acquisition is to be financed partly by a one-for-three rights issue at 100p, against 135p in the market, to raise £612,325 before expenses.

For 1976, Elbar is forecasting pre-tax profits of at least £900,000 before extraordinary items of £95,000 and the sale of its Tanganyika holding.

The new shares will not rank for the final dividend of 3.4679p but Elbar proposes to pay a total dividend of 8p net (12.3p gross) for 1977 an increase of 15 per cent. for which Treasury approval has been granted.

Tanganyika has agreed to subscribe fo rthe new Elbar shares in respect of its own holding and the balance has been underwritten by Kleinwort Benson, brokers to the issue are Cohen De Smitt Greener Dreyfus.

Elbar intends to raise a further £856,000 by the sale of part of its Tanganyika holding for 150p in cash to Societe Generale de Belgique which already has a stake of 21 per cent. in Tanganyika, taking its stake to 24 per cent.

Finally the Board of Elbar has arranged a three year unsecured loan of up to £1m., guaranteed by Tanganyika Concessions.

TRAFALGAR HOUSE —DIRECT SPANISH

Trafalgar House Investments, the property development and investment group headed by Mr. Nigel Broackes, is to make an announcement to-day regarding a possible take-over for **Direct Spanish Telegraph**, the investment trust in which the Slater Walker unit trusts have a 27 per cent. stake. Dealings in Spanish Telegraph were suspended yesterday morning at 47p, pending an announcement.

Slater Walker Securities acquired a 25½ per cent. stake in Direct Spanish from First National Finance Corporation in a £1m. deal early in 1975. The shares were bought at 46p each.

The Board of Direct Spanish, headed by Mr. Jim Nichols, who is also deputy chairman of Slater Walker Trust Management, has for some time been considering transforming the trust into an authorised unit trust. And in anticipation of such a move the portfolio is highly liquid.

At the suspension price, Direct Spanish has a market capitalisation of about £4.3m.

EVA BID FOR EDGE TOOL PREFERENCE

Eva Industries is to bid for **Edge Tool Industries' Preference** shares on the basis of 50p cash per share. (Eva owns the whole of Edge Tool's Ordinary shares.)

BRISTOL PLANT MIDWAY LOSS

The documents containing the formal offer by **Carlton Industries** for the one third of **Bristol Plant** it does not already own show that Bristol Plant made an interim loss of £105,000 for the six months to September 30 compared with a profit of £21,000 in the comparable period and a loss of £66,000 in the last financial year.

No interim dividend is to be paid and the directors are unable to forecast when dividends will be resumed.

The £431,000 offer at 10p a share values the whole of Bristol Plant at £1.37m. Unaudited accounts to September 30 reveal a reduction of net assets from £2.6m. to £1.8m. since March, some £786,000 of which is due to a retrospective provision for deferred taxation following sales of plant, which are continuing under the present group reorganisation.

The offer, which is recommended by the directors of Bristol Plant and their arvisors, Antony Gibbs, closes on January 31.

INJECTION FOR QUEENSWAY DISCOUNT

An important first step towards a public share quotation has been taken by **Queensway Discount Warehouses**, the Norwich based furniture and carpet discount operation.

County Bank and ICFC have each acquired nearly 15 per cent. of Queensway' equity from existing shareholders and have, in addition, agreed to provide medium term loan facilities to the group totalling £1m.

The shares of Queensway, which generates sales of £20m. from 30 out-of-town warehouses and 800 employees, have previously been closely held by the interests of Mr. Gerry Parish, chairman. Under the present acquisition, which has been made from all shareholders in relation to their holdings, Mr. Parish's interests will fall from 70 per cent. to around 50 per cent.

Mr. J. M. Murphy, managing director of Queensway, said yesterday that the new loan facilities would be used in opening new branches and redecoration.

Queensway has been exploring the possibility of a quotation, either on the over the counter market or on the stock exchange for some time. Mr. Murphy said yesterday, however, that under the present market and economic circumstances a full quotation was unlikely for at least two year.

ASSOCIATES DEALS

On December 17, Joseph Sebag and Co. bought 50,000 London City and Westcliffe Properties Ordinary at 22p (early bargain) and 750,000 at 22p on behalf of Lonrho.

Noble Grossart announces that its client, Heron Corporation, purchased 10,000 Ingersoll Ordinary shares at 40p.

Capel-Cure Myers bought 2,500 and 8,000 Dunford and Elliott at 43p on behalf of discretionary investment clients.

De Zoete and Bevan, brokers to Head Wrightson and Co., bought 2,000 Davy International at 186p on behalf of an associate of Head.

LCW says 'yes' to Lonrho

Executive directors of London City and Westcliff Properties, who had opposed the price of 22p at which Lonrho is bidding, yesterday formally acknowledged defeat with a letter to shareholders recommending the offer. Lonrho has announced ownership of over half both the Ordinary and Preference shares.

The letter states that "the executive directors remain convinced that the long term potential of LC and W justifies a higher price that the Lonrho offers. However, in the present circumstances they also have to take into account the potential difficulties of shareholders who retain shares in a subsidiary of a public company."

The executive directors therefore recommend acceptance to holders of both Ordinary and Preference shares and will be accepting in respect of their own beneficial holdings of 488,164 unrestricted Ordinary shares.

GOLDEN HOPE

Kien Huat Realty Sdn. Bhd. with associates bought on Friday 31,058 Golden Hope Plantations shares at 57p and 40,922 at 74p.

These are in addition to 10.7m. held (21 per cent.) which included purchases up to December 14.

W. CANNING

W. Canning's wholly-owned Australian subsidiary has bought a 51 per cent. holding in Lawrence Smith and Canning for £124,000 cash from Did[illegible] Pty. Smith is now a wholly-ow[ned] subsidiary, 49 per cent. of capital already being owned.

Smith's sales for the year to June 30, 1976 were £2,813,000, pre-tax profit £118,000, tangible assets £345,000.

SHARE STAKES

United Kingdom Temperance and General Provident Institution following the purchase of a further block of shares in London Electrical and General Trust on December 14, now owns 1,42[illegible] Ordinary shares (11.31 per cent.)

Empire Plantations and Investments, as a result of the re[illegible] preference conversion, now h[olds] 1,250,500 Single Holdings Ordinary shares (28.55 per cent.)

S. W. Wood Group h[as] 3,087,000 Concentric Ordinary shares (16.33 per cent.) follow[ing] the acquisition of a further 5[illegible] shares.

James Finlay and Co. has exercised the option to purchase f[rom] Mcleod Russel and Co. the e[ntire] holding of 28,818 Achabam Co. shares.

Silverthorne Group-Unochr[ome] International has purchased 5[illegible] Ordinary shares and now h[illegible]

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Uddeholm outlines its strategy for recovery

BY WILLIAM DULLFORCE

STOCKHOLM, Dec. 20.

A SECOND Swedish steel and forest products conglomerate, Uddeholm, anticipating a heavier loss than forecast for 1976, has now published plans for retrenchment and recovery.

Last week Stora Kopparberg, having reported a loss of Kr153m. for the first eight months, described how it would pare down its steel operations to release Kr.500m in working capital.

In the latest issue of Uddeholm's internal magazine, Mr. Gunnar Wessman, the managing director, reveals a pre-tax loss of Kr.180m. (£25.9m.) on sales of Kr.1.74bn. (£250m.) for the first ten months and anticipates a loss of Kr.220m. for the year as a whole.

After taking into account a state stock subsidy of Kr.19m. and stock appreciation of Kr.75m. the loss will come out at around Kr.125m. Mr. Wessman points out that Uddeholm needs earnings of Kr.280m. to achieve a 10 per cent. return on capital employed.

The plan for recovery envisages a reduction of 1,100 in the number of jobs, a revision and concentration of the product range, an internal restructuring and a profitability drive with trade union support.

The group had hoped to improve earnings in the second half this year after a first half loss of Kr.86m. Instead, the expected improvement in demand for Uddeholm's forestry and steel products has failed to materialise.

Stocks have grown by Kr.300m. over the past two years to Kr.1.48bn. and are now costing some Kr.200m. to finance. Mr. Wessman warns Uddeholm employees that these stocks have to be reduced during 1977 to release cash and that, if sales do not pick up, there will have to be production cuts.

For the first time, too, Uddeholm provides a breakdown of earnings by product division. It shows that the 1976 losses will stem chiefly from the pulp and paper mills (minus Kr.84m.), the steel plate division (minus Kr.68m.), steel bars (minus Kr.34m.) and steel tubes (minus Kr.30m.). The only profitable divisions will be power (Kr.49m.), timber (Kr.45m.), chemicals (Kr.16m.) and the foundry (Kr.6m.).

Over the last five years Uddeholm's steel operations, capitalised at Kr.1.9bn., have lost Kr.35m. a year on average. The forestry product divisions with a combined capital of Kr.650m. have averaged a Kr.5m. profit over the same period.

To illustrate the pressure on the group's financial resources, Mr. Wessman points out that when in 1974 it drew up investment plans of Kr.510m. for the next two years, it calculated on obtaining Kr.240m. from internal sources and the rest from borrowing. As matters turned out, the cost of the investments rose to Kr.770m. and there was a negative cash flow of Kr.180m.

The managing director's analysis singles out the decline in Uddeholm's competitive position as much as the falling demand for its products. Over the last two years its prices have risen some 15-20 per cent. more than the world market averages. A major factor in this development has been the 40 per cent. increase in Swedish unit labour costs.

Mr. Wessman comments, "we cannot afford to lose a single profitable order in 1977 and we must win those orders on competitive terms." A new 110,000-tonne paper board mill is due to start up next July and the Uddeholm magazine underlines the need to get a quick return on the Kr.425m. investment by winning quickly a share of the market.

"Project 150" is the name given to the management's internal recovery programme because it aims at raising the profit level by Kr.150m. a year in current prices. It anticipatess earnings improvement of Kr.80-90m. next year and Kr.125m. in 1978. The measures are expected to release some Kr.380m. in capital over these two years.

Among the external restructuring steps already initiated are the purchase of Stora Kopparberg's special steel operation (which will entail the closing down of one works), negotiations with SKF on joint production of steel strip and talks with Gränges on product swap arrangements in heavy and stainless steels.

SKF cuts investment rate in 3-year plan

By William Dullforce

STOCKHOLM, Dec. 20.

SKF the Swedish bearings, steel and machine tools group, plans to start new investment projects costing Kr.525m. (£75m.) next year, it was announced in Gothenburg to-day.

The investments cover roughly a three-year period and represent a decline in the SKF investment rate compared with the Kr.630m. in new projects approved by the parent company Board a year ago.

The major new investments, all of which concern bearings, will be in the U.S., West Germany and Italy. In the U.S. Kr.147m. will be spent on a capacity increase at SKF Industries and cost saving projects for taper, spherical and cylindrical roller bearing facilities. SKF's acquisition of McQuay Norris, the automotive component manufacturer, is still awaiting Federal approval.

SKF Kugellagerfabriken in West Germany will spend Kr.162m. on improving ball and roller bearing production facilities and expanding forging capacity. Most of the Kr.70m. investment in RIV-SKF, Italy, will go to capacity increases, quality improvement and cost savings.

The Kr.525m. includes Kr.7.5m. for new investment in Britain. Methods of finance have not been fixed but have been left to the decision of the local Boards.

Total capital spending budgeted for next year is Kr.670m., which compares with an estimated Kr.624m. spent this year and Kr.665m. in 1975. The largest expenditure during 1977 will be Kr.182m. previously approved for SKF steel to complete its new bar and wire rod mill at Hällefors and the steel works at Hofors.

Conti: Gummi expects to break even

HANOVER, Dec. 20.

CONTINENTAL Gummi-Werke should break even in 1976 after its DM3.5m. net profit last year, despite an 8 per cent. turnover increase on last year's DM1.37bn. Mr. Carl Hahn, managing Board chairman, said to-day.

The company appears hardly likely to have an operating profit this year because profits since September cannot compensate for operating losses in the first eight months, he added. (In 1975 the parent company reported a DM8m. operating profit after a DM16m. loss in 1974.)

A company spokesman said the earnings position this year means Contigummi will again pass its dividend. Its last payout was DM3 in 1971.

Hahn, who last April said he hoped Contigummi would make a double-figure operating profit for 1976, said the company underestimated the heavy pressure on tyre prices for this year.

The company estimates last month's recall of about 160,000 possibly defective steel-braced tyres cost DM4m.

Contigummi has made considerable progress towards improving its operations, especially on the technical side, and hopes for a return to operating profit for all 1977.
Reuter

AKZO bid rejected

THE French Government has rejected a bid by AKZO Pharma to acquire a controlling interest in Societe Recherche et Expansion Therapeutique Internationale (RETI), a French pharmaceutical concern, AP-DJ reports from Paris.

AKZO Pharma is a unit of the AKZO group of the Netherlands. Officials said the Government is trying to find a French solution to RETI's problems.

Bourse reports said that AKZO was planning to bid for all of RETI's capital by offering to purchase its shares at Frs.100 each. RETI shares were last quoted at Frs.75.

AMERICAN NEWS

Fed. sanction for bank purchase

WASHINGTON, Dec. 20.

THE U.S. Federal Reserve Board cleared the acquisition of Detroit's long-troubled Bank of the Commonwealth by First Arabian Corp., in an effort to prop up the Bank's financial resources, reports AP-DJ.

First Arabia, a Paris-based holding company with investments primarily in various overseas concerns, is controlled by several mid-east business partners. These include Saudi Arabian businessman Ghaith R. Pharoan, who currently holds a controlling interest in the Detroit bank. The bank is the sixth largest in Michigan with deposits of about $840m.

In essence, the Fed. approval of the acquisition provides the Bank Regulatory Agency's clearance of a previously announced recapitalisation plan for the Bank of the Commonwealth. That plan is expected to be approved on Monday by Bank shareholders, the Fed. said.

First Arabian will make up to a $10m. infusion of equity capital into the bank once the recapitalisation plan is completed.

In addition, the Federal Deposit Insurance Corp. has said it will extend, by at least five years, an existing $35.5m. loan to the Bank. The loan, made in 1972, had been scheduled to expire next April.

Uniroyal operates from leaner base

A YEAR-END statement from Mr. David Beretta, chairman and president of Uniroyal Incorporated, said that operating from a "leaner and more flexible posture, Uniroyal will be better positioned in 1977 to capitalise on the 5 per cent. real growth projected for the U.S. as well as the 9 per cent. rise anticipated for sales of rubber and plastic products," reports AP-DJ from New York.

"In spite of the United Rubber Workers 140-day work stoppage in 1976, Uniroyal was able to continue operations without the loss of a major customer," Mr. Beretta noted.

He said the draw-down of significant amounts of inventories during the year also had beneficial side effects—permitting a better balance with operations.

Uniroyal was also able to raise productivity and capacity in some plants, he added. This was accomplished during the current programme of cutting back manpower and marginal facilities from the 1974-75 base.

Texas Instruments

TEXAS INSTRUMENTS Inc. said its Board voted to increase the quarterly dividend to 33 cents a share from 25 cents, payable January 24, reports Reuter from Dallas, Texas.

It said the Board also authorised the purchase of up to 15,000 outstanding shares of its common stock over the next few weeks to be used for incentive awards under its incentive compensation plan.

Esso sells off

ESSO AFRICA INC. said yesterday that it has completed negotiations for the sale of its two Moroccan units reports AP-DJ. Esso Africa is a part of Exxon Corp.

The two companies being sold are Esso Standard Maroc SA and Esso Gaz Maroc SA. The purchase is being made by Societe Nationale des Produits Petrolieres (SNPP), a Moroccan State-owned company.

Esso Africa didn't disclose the sale price of the two companies. It said the sale was in response to the Moroccan government's desire to participate in the distribution and marketing of oil products. Under the agreement, SNPP will distribute various Esso products in Morocco for a minimum of five years.

Korea takeover

SOUTH KOREA plans by 1979 to take over the management of Korea Oil Corp. from Gulf Oil which currently controls half of the refinery operating joint venture with Koreans, officials said on Friday, reports AP-DJ from Seoul.

There have been occasional criticisms, particularly on the Korean National Assembly floor, against allegedly excessive profit making by U.S. oil majors from local oil refinery operations in joint ventures with Koreans.

The Korean officials said that Gulf Oil made an additional equity investment of $25m. in 1970 on condition that it be given the power to manage Korea Oil until it recovered $37.5m., 150 per cent. of the $25m. in profits.

Disposals at Singer

THE SINGER Company announced that it has reached an agreement in principle to sell substantially all the assets of its mailing equipment division to a private group of investors headed by W. Gordon Jarvis, president of Combustion Power Co., Inc., reports UNS. The investor group is composed of a large casualty insurance company, Hambros Bank and Institutional Venture Associates, a limited partnership whose partners include five large life insurance companies and a major foundation.

The agreement is subject to the negotiation of a definitive contract and governmental approvals. It is expected that the closing will take place on or about December 31.

Singer also announces its agreement in principle to sell substantially all assets of its tufting division to Spencer Wright Industries, Inc., a new corporation in which the current management of the division, including Spencer Wright, vice-president and general manager of the division, will have a majority interest.

Spencer Wright Industries will be headquartered in Chattanooga, Tennessee, and will have major production facilities in Chattanooga and in Blackburn, England. The tufting division manufactures carpet tufting machinery and finishing equipment which it sells on a world-wide basis.

Sanyo plan cleared

THE JUSTICE Department said it doesn't intend to oppose a plan by which Sanyo Manufacturing Company will replace Whirlpool Corporation as owner of a 57 per cent. interest in the colour television receiver business of Warwick Electronics Inc., reports AP-DJ from Washington.

DUTCH COMPANIES

Builders showing improvement

BY MICHAEL VAN OS

AMSTERDAM, Dec. 20.

STEVIN, the Dutch building company, said in its nine-months statement published in Utrecht that both this year's net profits and turnover would be somewhat better than earlier forecasts.

It said that net profits would amount to at least Fls.20m., which would be about Fls.2.5m. more than was earned the year before. Turnover should rise to Fls.1.7bn., which is up Fls.0.3bn. on 1975.

United NBM, another Dutch building company, said that after two consecutive years of losses 1976 would show a pre-tax profit of around Fls.3m. after depreciation of at least Fls.13m. Turnover, the interim statement published in Rijswijk said, would be down somewhat on last year's level of Fls.726m., to reach Fls.710-720m.

NBM added that despite the difficult economic climate, the order book was "well filled" in most sectors of activity. As expected, the company will again pay no dividend in 1976, having last paid a dividend in 1973.

* * *

Royal Scholten-Honig (KSH), the Dutch starch and foodstuffs manufacturer, has said here that the Board has proposed that there will again be no dividend paid over the financial year 1975-76. As reported at the beginning of this month, the company suffered a net loss of Fls.16.2m. during the year after having managed just to break even in 1974-75. An improvement is expected for the recently-started year.

* * *

NSU, Holland's largest shipping company, said in Rijswijk that profits had developed "somewhat better" in the second half than was foreseen on the announcement of the half-year figures in August.

It is now stated that this year's profit will not deviate much from the 1975 level of Fls.101.9m. First-half profits had fallen to Fls.42m. from Fls.60.2m. in the same half of 1975 as a result of the recession.

* * *

AMRO Bank, Holland's second-largest commercial banking house, said it plans to open an office in London. The Bank could only say the office would be opened "in the course of 1977." The move marks a further internationalisation of Amro Bank, which is already represented in London via its participation in the European Banking Company, in which Midland Bank is also a shareholder.

* * *

Amev, the insurance company, said in Utrecht that its life insurance subsidiary "Utrecht" has reached agreement with management of the Dutch investment fund "Nefo" on a cash bid for the around two-thirds of the Fund's shares not already owned by the company. The bid prospectus will be published on January 21.

Amev said that the height of the bid will be in accordance with Nefo's intrinsic value per share as at December 31, 1976, with the provision that the value of real estate will be assessed by independent experts.

As reported earlier this month, the Fund's total assets amounted to about Fls.98.4m., of which 36.6 per cent. its employed in property, 25.9 per cent. in shares and 31.1 per cent. in bonds. The share capital amounted to Fls.98m.

EUROBONDS

Business doubled in November

BY TONY HAWKINS

TWENTY-EIGHT EUROBOND new issues aggregating $1.27bn. were offered during November—almost twice the October figure—says Credit Suisse White Weld in its monthly International Bond Letter. The letter says that while market receptivity to longer maturities has increased substantially during 1976, investors continue to prefer shorter-dated paper of which the supply is increasingly limited.

In secondary market trading yesterday, U.K. issues again moved ahead with the recent Midland Bank issue trading in the 96¾-98¾ range and the National Westminster 9 per cent. 1986 bonds at 100½-101.

In first time trading, the two Hamersley Holdings issues priced last week at par were traded at 98¾-99¼, while, predictably, the new Brazil issue which was priced on Friday at 99 opened at a sharp discount at 97-97¾.

The market was again influenced by the easier trend in U.S. interest rates, with the Federal Reserve announcing a cut in reserve requirements which will reduce reserves by some $550m.

Immediate money market reaction was to forecast further falls in U.S. prime rates with banks being inclined to reduce their prime rates into line with the 6 per cent. announced 10 days ago by Morgan Guaranty.

In Zurich it was announced that the Jutland Telephone Sw.Frs.60m. 15-year Swiss franc bond issue on a 5¼ per cent. coupon had been priced at 99. Lead manager is the Union Bank of Switzerland.

BONDTRADE INDEX

	Monday	Friday
Medium	102.32	102.24
Long	94.29	94.23
Convertible	107.22	107.69

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9½pc 1988	104⅛	105¼
Australia 9½pc 1980	100⅛	101½
Bowater 9½pc 1990	102⅜	104
Canadian N. Rwy. 8¾pc '86	101	101¼
Credit National 8½pc 1986	99	99¾
Denmark 8¾pc 1984	98	99½
ECS 9½pc 1989	102½	103½
EIB 9½pc 1985	102	101½
Esap 9¾pc 1985	103	103½
Esso 9pc 1986 Nov.	104⅛	105⅜
Eurofima 8½pc 1984	102¼	102¾
Granges 9½pc 1985	103½	107½
Hamersley 9½pc 1992	98¼	99½
ISE Canada 9½pc 1986	102⅛	103⅛
Massey Ferguson 9½pc 1991	104⅛	105⅛
Michelin 9¾pc 1986	101¾	102¼
Midland Int. Fin. 8¾pc 1986	98	99¼
Modo 9pc 1986	99¼	99¾
Nat. Westminster 9pc 1986	99½	100½
Newfoundland 9½pc 1989	101¾	102
Norman 9pc 1986	102⅛	103½
Norsk Hydro 9pc 1991	102	102¾
Oslo 9pc 1988	102	103½
Ports Autonomes 9pc 1991	99	99½
Prov. Quebec 9pc 1984	102	102½
Quebec Hydro 8½pc 1986	99	99½
Prov. Saskatchewan 8¾pc '86	102	102½
Skandinav. Enskilda 9pc '91	100½	101½
Volvo 9½pc 1983	103½	104½
NOTES		
Australia 8¼pc 1983	102¼	103¼
Australia 8¼pc 1986	101⅛	102¼
Dow Chemical 9pc 1986	102¼	103½
ECC 8¾pc 1982	102¼	102
Gotaverken 9pc 1982	100½	101⅛
Kockums 8pc 1983	99½	100
Michelin 8½pc 1983	102	102⅜
Montreal Urban 8½pc 1981	99½	100½
Nat. Coal Board 8½pc 1981	100½	101½
New Brunswick Prov. 8pc 1983	103¼	104¼
New Zealand 8½pc 1986	100	100½
Nippon Fudosan 9pc 1981	100½	101¼
S. of Scot. Elec. 8½pc 1981	99½	100
FLOATING RATE NOTES		
Vazcasa 7pc min. 1981	93½	94½
Urquijo 7pc min. 1981	97¼	97¾
Bk. Tokyo Bldg. 6¼pc min. 1981	100½	101¼
LTCB of Japan 6¾pc min. 1981	99½	99½
D. MARK BONDS		
Beecham 9pc 1980	102	102½
EIB 8½pc 1984	97½	98½
ICI 7pc 1986	98½	99
Inter American Dev. Bank 7pc 1987	97½	98½
New Zealand 7pc 1986	103½	104½
Source: White Weld Securities, London.		
CONVERTIBLES		
American Express 4¼pc '87	84	86
Ashland 5pc 1988	90	92
Beatrice Foods 4¼pc 1992	100½	102½
Beatrice Foods 4½pc 1992	118	120
Borden 5pc 1992	104	106
Broadway Hale 4½pc 1987	79¼	80½
Canon Camera 7pc 1990	155	157
Carnation 4pc 1987	88½	90½
Chevron 5pc 1988	123	125
Dart 4¾pc 1987	85½	87½
Eastman Kodak 4½pc 1988	101¾	104½
Economic Labs. 4¾pc 1987	77	79
Fed. Dept. Stores 4¾pc '85	116	118
Firestone 5pc 1988	83¼	84½
Ford 6pc 1986	96	99
Ford 5pc 1988	89	91
General Electric 4¼pc 1987	94	96
Gillette 4¾pc 1987	76	78
Gould 5pc 1987	114½	116½
Gulf and Western 5pc 1988	94½	96½
Harris 5pc 1992	96½	100½
Honeywell 6pc 1986	85½	87½
ITT 4½pc 1987	77½	79½
Komatsu 7½pc 1990	101½	103
J. Ray McDermott 4¾pc '87	140	142
Mitsubishi Elec. 7½pc 1991	103	104½
Mitsui 7½pc 1990	106	107½
J. P. Morgan 4½pc 1987	105½	110½
Nabisco 5½pc 1988	99½	100½
Owens Illinois 4½pc 1987	115½	117½
J. C. Penney 4½pc 1987	85½	85½
Pioneer 6½pc 1988	238	—
Raymond 8pc 1993	105	106
Revlon 4¾pc 1987	104½	106½
Reynolds Metals 5pc 1988	87½	89½
Sperry Rand 4¼pc 1987	95	97
Squibb 4½pc 1987	74	76
Texaco 4¾pc 1988	79	81
Toshiba 6½pc 1990	106	109
Union Carbide 4¾pc 1982	107	109
Warner Lambert 4½pc 1987	80½	82½
Warner Lambert 4½pc 1988	76½	78½
Xerox 5pc 1988	78	80
Source: Kidder, Peabody Securities.		

BASF to invest DM500m. in new cracker

By John Wicks

ZURICH, Dec. 20.

THE GERMAN chemical undertaking, BASF, of Ludwigshafen, has announced plans to invest some DM500m. (£121m.) in the construction of a steam cracker in Ludwigshafen to secure long-term supplies of basic petrochemicals. Working with a crude benzine weedstock, the new plans will produce primarily 300,000 annual tons of ethylene, 165,000 tons of propylene and 270,000 tons of pyrolysis benzine. These will be further processed into plastics, solvents, plasticisers, anti-frost agents and super-grade petrol.

The new cracker is expected to be commissioned in 1980 or 1981. Like an existing steam cracker operated by BASF since 1965 and with one-half of the new unit's capacity, it will work to a conventional thermal process, with energy provided by natural gas and sulphur-free fuel gases. Such gases as are emitted at the running on and off of the plant and in cases of disturbance are burnt off safely in a flame stack.

● BUHRMANN - Tetterode N.V., Amsterdam, has reached agreement with Sieber and Company K.G. in Fürth near Neurenberg to purchase a 80 per cent. share in Sieber, reports Bührmann.

Sieber is one of the biggest importers of toys in West Germany.


Since its foundation in 1848, the Leeds Permanent has had as its first concern the interests of its savers and borrowers. People's homes and investments are of prime importance.
In the years following the First World War, the Society grew rapidly, with more and more people taking advantage of good interest rates to invest for financial security.
By the middle 1950's, the Leeds Permanent was helping 91,798 people to buy their own homes. No less than 126,376 members were watching their savings grow in the Society.
Ours is a 'family' concern
"Since 1966, the Leeds 'family' of borrowers has grown from 135,000 to almost 267,000 today."
Alfred Schofield, F.B.S. President
"AT Leeds Permanent, we are dedicated to the proposition that everyone has a right to own his own home. We believe this desire to be one of the compelling virtues of modern society.
To build savings in complete safety, to watch them grow at a good rate of interest and to be able to use those savings when needed, is a corner-stone of the community's confidence in the future.
These beliefs are as true today as they were 10 years ago and we see the family home as one of the bastions of stability and future happiness."
We are proud of our achievements in 1976:
Total assets £1,622m +19.77%
Receipts from investors £709m New record
New investment accounts 280,000 New record
Mortgage lending £362m Almost £1m a day
Mortgages granted, over 43,000 New record
New branches opened 35
The opportunity to save to become one of our 'family' can be achieved at any one of our 219 branch offices throughout the country, or from one of our agencies.
The Leeds PERMANENT BUILDING SOCIETY
Head Office: Permanent House, The Headrow, Leeds LS1 1NS.
Branches and agents throughout the country
THE LEEDS PERMANENT GIVES IT TO YOU STRAIGHT.

مكتبة الأصل

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Toyo Kogyo extending Ford link

BY CHARLES SMITH

TOKYO, Dec. 20.

[TO]YO KOGYO, Japan's third [larg]est car manufacturer, con[firm]ed *to-day that it will be* [exte]nding its tie-up with Ford [by] importing 2.3-litre engines [fro]m Ford's Brazilian affiliate for [pick]-up trucks to be manufac[ture]d *for the U.S. company.*

[T]oyo Kogyo is already making [...]litre engine pick-up trucks for [For]d, but with components manu[fact]ured entirely at its own plant [or] by Japanese suppliers. The [...]litre engine will meet a grow[ing] North American demand for [s]lightly more powerful truck.

[T]oyo Kogyo disclaims any [spe]cial significance to the deal [bey]ond the need to add an addi[tion]al option to the range of [pick]-up trucks Ford is currently [buy]ing. Local Press comment, [how]ever, sees the triangular tie-[up] as an important move towards [cem]enting Toyo Kogyo's over[seas] relationships.

[T]oyo Kogyo conducted merger [talk]s with Ford in the late [196]0s but broke off the talks, [app]arently because of a disagreement over the size of the Ford shareholding under the merger. Since that time Toyo Kogyo has appeared extremely coy about link-ups with foreign companies. However, at least three major relationships do exist, apart from Toyo Kogyo's now historic purchase of the Wankel patent for the rotary engine (of which it has become the leading world producer).

Toyo Kogyo imports car bodies from GM Australia for its rotary engined Roadpacer car. It also buys diesel engines from Perkins of the U.K. for light duty trucks under an agreement signed in 1965. These two arrangements, plus the pick-up contract with Ford have meant that the company has avoided leaning on a single overseas motor company as its major partner. The relationship with Ford, however, is clearly growing in importance and could *overshadow those with other* foreign companies.

Ford at present differs from General Motors and Chrysler in having no direct capital stake in a Japanese motor company. GM currently has a minority stake in Isuzu (whose Gemini passenger *cars are being exported to the* U.S.). Chrysler has a holding in Mitsubishi Motor Company.

Toyo Kogyo stands midway between the two top Japanese car makers, Toyota and Nissan, which are too powerful to admit foreign capital participation, and the smaller and weaker companies which have begun to move into the orbit of the American motor industry.

The company has a strongly independent tradition (exemplified by its wholehearted commitment to the rotary engine) but it has passed through difficult times recently and its future cannot yet be considered completely clear. Toyo Kogyo, as a *highly integrated enterprise,* needs to maintain a high operating rate for profitability, but is currently still operating at 85 per cent. of its full plant capacity. The addition of a 2.3 litre model to the range of Courier pick-ups which the com*pany makes for Ford* could result in a better capacity ratio.

Toyo Kogyo said to-day that it expected the first engines from Brazil to reach it early in the new year. The company could not provide initial production estimates but eventual output may be in the region of 30,000 to 50,000 trucks per year.

Toyo Kogyo's deal with Ford coincides with the opening of a brand-new Nissan plant for manufacturing pick-up trucks in Kyushu the southern-most major island of Japan. Nissan's Kyushu plant will produce about 22,000 units per month of two litre engined pickups. Most of the production replaces that at existing Nissan plans which are being turned over to passenger car manufacturing.

Kenya's paper company recovers

NAIROBI, Dec. 20.

KENYA'S once-lame giant, the £24m. Pan African Paper Mills at Webuye, has returned to full round-the-clock production of 3,750 tons a month for the local and export markets. The mills' more satisfactory trading position has brought a new capital injection of £2m. from the principal investors—the Kenya Government, the World Bank's International Finance Corporation, and the Orient Paper Mills of India, which manage the mills.

Pan-African Paper Mills now tops the league of large projects in Kenya, and is the biggest undertaking of its kind in black Africa. The mill, however, struck hard times after it went into production in 1974 and faced an extremely difficult market position for two years.

During the building stage local merchants built up a large competition stockpile of imported bleached and unbleached paper and board, glutting the market. There was *great concern in Kenya when* the mills had to close for 80 days in 1975.

The mills had also failed to take into account the declining *market in the stricken East* African community. The Uganda market collapsed and Tanzania bought little paper from the mill.

Almost all the *requirements* of the growing Kenya market in bleached and unbleached papers are now being satisfied. The mill does not make newsprint, toilet paper, cigarette papers, heavy board or art paper. Some 30 per cent. of the mills products are now being exported to Pakistan, Iran, the Sudan and Zambia. *Some paper has been* sold to the EEC countries, qualifying under the Lome Convention for equal status to paper produced in Europe.

SECURITIBANK COLLAPSE

When a bank is not a bank

BY DAI HAYWARD IN WELLINGTON

ONE OF the most complicated legal battles in New Zealand's corporate financial history is looming following the collapse *of Securitibank—a merchant* banking group whose major shareholders include a number of U.K. interests.

The top twenty shareholders *in Securitibank, which will go* into official liquidation in the New Year, include Norwich Union, holding 16 per cent. of the shares, Prudential, 8.5 per cent., Rothman Industries, 6 per cent., and New Zealand Government Life Insurance, 17 per cent.

Court cases

Already two separate cases are before the courts and further legal action involving the company and its directors is certain. The police are looking into the possibility of fraud.

Securitibank is not a bank in the normal sense and already questions are being asked as to how and why it was able to incorporate the word "Bank" into its title.

The New Zealand Companies Act prohibits the use of the word "Bank" in the name of any company except the five officially recognised trading banks and the New Zealand Reserve Bank. Although Securitibank added the word into a one-word title it nevertheless was regarded as "a *bank" by many ordinary* investors. This was further encouraged by the name of one of its subsidiaries "Merbank."

Securitibank was originally named Security Dealers, a title which more aptly described its main original functions. It attracted a blue chip investment folio and some of the most respected names in New Zealand business and legal circles as directors.

Founder and managing director of the company John Russell frequently appeared in the *media and on NZ television* as a pundit whose views on the economy and the economic situation in New Zealand were worthy of attention.

Mr. Russell widely canvassed the view that New Zealand should have a standing army of at least 20,000 unemployed. This *was almost* heresy in a country where unemployment was literally unknown for 20 years and where even to-day, at the height of an economic crisis, 4,000 unemployed is regarded as an unavoidable but only temporary factor.

It is ironic that Mr. Russell himself will within the next few days become unemployed, at least as far as Securitibank is concerned.

During its ten years of existence Securitibank developed into a sizeable dealer in all forms of money market securities. Formed in 1956 it handled commercial bills, Government and local authority stocks, contributory mortgages and provided a source of finance to companies seeking funds. Over the last year or so it has offered extremely high interest rates for depositors.

The direct cause of Securitibank's downfall can be linked to its involvement with some costly and disastrous property deals. One of these is the Chateau Commodore. For several weeks Securitibank in an obvious effort to gain much-needed cash funds has been trying to dispose of this asset. A potential but coy buyer is Narau Island Trust which has been on the verge of finalising a deal for four or five weeks. Securitibank was hoping to tie this up before Christmas and thus gain a respite and some cash, to meet demands of creditors but Narau has been reluctant to sign the final deal.

Other property deals have cost Securitibank millions of dollars —and indeed it can be said that in contrast to *its success* and growth in other areas of finance it was singularly unsuccessful in the property field.

A court case now before the *New Zealand* court, and instituted by Belgian businessmen concerns negotiations made last year by a property group, Kelmac, to conclude a deal with the international construction company, Cubitts. Kelmac was greatly in debt to Securitibank which has financed a multi-million dollar office block development in central Wellington.

Rumours of a possible Securitibank collapse circulated in New Zealand financial circles for two to three weeks. A week ago it issued a $5m. writ against a weekly newspaper which suggested Securitibank was in trouble. However only days later its shareholders, led by three trading banks with funds deposited in the Securitibank, the ANZ Bank, Bank of New Zealand and the Bank of New South Wales moved to have *Receivers* appointed.

The banking world was reluctant to take this step because of the ramifications the collapse of Securitibank would have and also because the lack of confidence which would arise from the failure of a financial group bearing the name "bank."

Securitibank officially approached the *NZ Government* for help but Mr. Robert Muldoon, Prime Minister, refused to bail it out. Mr. Russell was told that his outspoken and widely reported views on the desirability and efficiency of the private enterprise system made any Government lifesaving operation impossible.

Shaken confidence

This week provisional liquidators have been appointed at the request of the shareholders. This is a holding operation to prevent further deterioration while a full investigation is made. Official Receivers will be appointed in the New Year.

Some observers believe the crash of Securitibank will involve $20m.

One thing is certain. It follows a chain of financial debacles in NZ over the past few years which has shaken the confidence of the ordinary investor and which will have widespread repercussions throughout the whole financial NZ structure.

[F]orecast of [p]rofits from [T]ai Cheung

[By] Philip Bowring

HONG KONG, Dec. 20.

[TAI] CHEUNG, a medium-sized [prop]erty company, to-day *fore*[cast] that profits for the year [end]ing March 19, 1977 would be [no] less than $HK30m., compared [to] $HK18.5m. last year.

[A]t the half way stage un[aud]ited net profit was $HK11.8m. [com]pared with $HK3.2m., and the [inte]rim dividend has been raised [to] 2.5 cents a share from one [...]

[Ec]uador contract

[H]itachi Shipbuilding and [Eng]ineering of Japan said it has [win]ed a $34.5m. contract to [sup]ply a sugar manufacturing [plan]t to Compania Agropecuaria [...]estal Industrial (CAFI) of [Ec]uador.

Hooker director buys shares as the price slides

BY JAMES FORTH

SYDNEY, Dec. 20.

HOOKER Corporation, major property and real estate group, is contemplating legal action over published reports which the company believes are largely responsible for a dramatic plunge in its *share price.*

Hooker shares dropped from 66 cents on Thursday to 55 cents —only five cents above par—at the close of trading on Friday. More than 1.2m. shares changed hands during the sell-off.

Several fund managers, apparently worried at rumours that the company faced difficulties with some of its property projects, have been heavy sellers. Since the annual report was released in mid-November, which gave a great deal of disclosure *about the company's trouble* spots, more than 5 per cent. of Hooker's capital has been traded on the share market.

The market slide would almost certainly have been greater but for the actions of Mr. Albert Shepherd, a Hooker director. Mr. Shepherd has also been the *largest individual shareholder* in Australia's biggest company, Broken Hill Proprietary, for several years. Mr. Shepherd said that he was selling BHP to buy Hooker and had picked up 370,000 shares during the heavy trading.

Sydney Stock Exchange asked the company about the sudden price fall. The Hooker directors replied that they suspected it might have been caused by a newspaper article, which omitted some important considerations and fact and thus was incomplete *and misleading,* and a circular by a Melbourne sharebroker, reportedly Davies and Dalziel.

The broker's bulletin, which was not referred to the com*pany for verification of detail,* was described as "erroneous and misleading." It had calculated Hooker's borrowing capacity at June 30 at $A10m. less than the correct figure, which gave the company only a slender margin under its trust deed of only $A2.7m. instead of $A12.7m.

The comment, inferences and consequences were seriously misleading and references to certain activities and obligations were incomplete. Hooker's solicitors had been asked to advise whether the company should issue writs for damages in respect of the documents and to "inhibit incorrect or incomplete reporting in the future."

Mr. J. Keith Campbell will talk to Sydney shareholders and *invited guests to-morrow* to answer questions arising from the accounts. Several brokers approached the company seeking the meeting.

Mr. Campbell's ability to reply in detail may be constrained by the recently enacted Securities Industries Act, which contains stringent safeguards against the passing of information to prevent the possibility of insider trading.

After Hooker released its statement, the price of the shares jumped 14 cents to 69 cents, more than recouping last week's slump. Almost 500,000 shares were traded with Mr. Shepherd apparently picking up a further 60,000 shares.

EDF bond issue

PARIS, Dec. 20.

THE FRENCH State-run utility Electricité de France (EDF) is to float Frs.1.3bn. of Debentures on the French capital market next week.

The issue will be made up of Frs.1,000 nominal notes carrying a coupon of 11 per cent. and will be guaranteed by the Government.

AP-DJ

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Further losses in early trading

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 20.

MODERATE LOSSES were seen in the majority on Wall Street to-day, largely the result of spill-over profit-taking from late last week which followed a four-week market rise.

By 1 p.m. the Dow Jones Industrial Average was down another 2.75 to 976.31 and the NYSE All Common Index shed a further 17 cents to $56.07, while declines topped advances by a seven-to-four margin. But the trading volume decreased 2.7m. shares to 12.02m., compared with 1 p.m. last Friday.

Just as the Stock Market opened, the Government reported third-quarter profits, Gross National Product and prices rose faster than reported originally.

Closing prices and market reports were not available for this edition.

Some investors were disturbed by the higher prices.

But the market showed no immediate reaction to the reduction in Bank Reserve requirements announced by the Federal Reserve Board last Friday evening.

Certain issues with corporate news bucked the general trend.

Panhandle Eastern Pipe Line rose $1 to $47—it reached a "conditional understanding" to acquire Divilyn for about 314,000 Panhandle common shares. Divilyn last traded at 80, on the American SE.

R. H. Macy rose $1 to $32. Coca-Cola lost 1 to $74, Pensicola ... to $7... and Digital Equipment dipped $1 to $49.

Technicare, among the volume leaders, fell $1 to $402 on over 50,000 shares.

But General Foods firmed ... to $30 after it raised coffee prices.

Texas Instruments gave way to $90, despite raising its dividend last week.

The American SE Market Value Index was off 0.13 at 103.94, while the trading volume decreased 30,000 shares to 1.67m., compared with 1 p.m. last Friday.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sperry	[illegible]	[illegible]	[illegible]
Royal Dutch	[illegible]	[illegible]	[illegible]
Texaco	[illegible]	[illegible]	[illegible]
Occidental Petroleum	[illegible]	[illegible]	[illegible]
Amer. Tel. & Tel.	[illegible]	[illegible]	[illegible]
Tandy	[illegible]	[illegible]	[illegible]
General Electric	[illegible]	[illegible]	[illegible]
Sony	[illegible]	[illegible]	[illegible]
Dow Chemical	[illegible]	[illegible]	[illegible]
Manufacturers Hanover	[illegible]	[illegible]	[illegible]

OTHER MARKETS

Canada lower

Canadian Stock Markets were mainly lower in moderate trading yesterday morning.

The Industrial Share Index shed 0.45 to 167.95, Base Metals 0.24 to 77.78, Western Oils 0.22 to 215.27, Banks 0.18 to 222.30 and Utilities 0.01 to 139.81. But Golds firmed 0.02 to 291.37 and Papers hardened 0.03 to 104.22.

Calgary Power climbed $1 to $33½ as did E-L Financial to $... and Southam to $18½, but Canadian Pacific at $15½ and Northern Telecom at $30 each gave way $½.

Seagrams gained $½ to $21½ and Canadian Imperial Bank rose $½ to $23.

PARIS—Losses outpaced gains in very quiet trading.

Banks were the most resistant sector. Investment Portfolios and Foods were mixed. Motors fell. Stores were generally little changed. Metals were mixed, while Oils, Chemicals and Textiles weakened.

Foreign issues were lower. Americans, Canadians, International Oils, Gold Mines and Coppers all fell. Germans eased.

AMSTERDAM—Shares rose in dull trading, with Unilever, up Fls.3.1 at 120.2, leading Dutch Internationals higher.

Shippings rose strongly, with most shares closing over Fls.4 higher.

Heineken firmed Fls.2.10 to 130 after announcing a satisfactory start to the current year.

State Loans rose slightly.

BRUSSELS—Mixed to lower after moderately active trading.

Steels tended lower. Non-Ferrous Metals eased. Chemicals finished little changed. Oils declined, while Holdings were mixed. Utility shares were steady.

U.S. stocks declined modestly, but gains were registered among Dutch, French and German stocks. South African Golds retreated.

SWITZERLAND — Irregularly lower in moderately active trading, with the OPEC price increases continuing to have a dampening influence.

Leading Banks were generally slightly lower. Financials narrowly mixed. Insurances were barely changed, while leading Industrials were narrowly mixed.

Dollar stocks were barely steady. Dutch Internationals slightly higher, while Germans were mainly steady.

GERMANY—Mixed in quiet trading.

In Motors, Daimler lost DM2 and VW fell DM2.10 while, among mixed Stores, Kaufhof advanced DM5 but Neckermann dipped DM2.30.

Among Engineerings, Demag gained DM3 but GHH gave way DM3. Continguummi lost DM2.50—it should "break even" in 1976.

Bond Market was quiet with Public issues easing up to DM0.30. The Regulating Authorities bought DM5m. nominal of stock. Foreign Mark Loans were steady.

MILAN—Prices rose more than 3 per cent. on active demand, but the close was below the best following profit-taking.

COPENHAGEN — Narrowly mixed in moderate dealings.

OSLO — Bankings, Insurances and Shippings were quiet, while Industrials were mixed.

VIENNA—Weak on sustained profit-taking.

HONG KONG — Higher in sharply increased trading, attributed to optimism by investors that Hong Kong can easily absorb the recent increase in oil prices by the OPEC countries.

Hong Kong Bank moved up 20 cents to $HK19.60, Hong Kong Land 10 cents to $HK7.50, Jardine 30 cents to $HK18.20, Swire Pacific "A" 5 cents to $HK9.75, China Light 20 cents to $HK18.30 and Hong Kong and Kowloon Wharf 20 cents to $HK16.30.

TOKYO—Prices advanced in brisk trading, with selective interest spread over a wide front, although late profit-taking eroded part of the earlier gains. Volume 400m. shares.

Electricals led the gains and recently ignored Trading Houses, Real Estates, Constructions and Department Stores also rose.

Matsushita gained Y12 to 734, Trio Y35 to 825, Victor Japan Y40 to 1,100, Maeda Construction Y17 to 610 and Kumagai Y18 to 599. Mitsui rose Y24 to 465, Maruzen Department Store Y13 to 264 and Heiwa Real Estate Y7 to 389.

Toyo Kogyo put on Y13 to 244 following reports that it plans to buy engines from the Ford Motor subsidiary in Brazil to mount on small trucks for export to Ford Motor of the U.S.

JOHANNESBURG—Gold shares were easier, following the lower bullion price and a general lack of interest.

Financial Minings also were easier. Coppers generally steady. Platinums were quiet and little changed.

Industrials were hardly changed in quiet trading.

AUSTRALIA—Leading Minings and Industrials were generally lower following the revaluation of the Australian dollar and a forecast from the Associated Chamber of Manufacturers that the business situation will remain unchanged in the next six months.

Hooker, however, rose 14 cents to 68 cents on active buying following denials by TJ Company that it faced financial problems.

Retailers were weak. Brewers firm, while Banks were mixed.

Pound improves

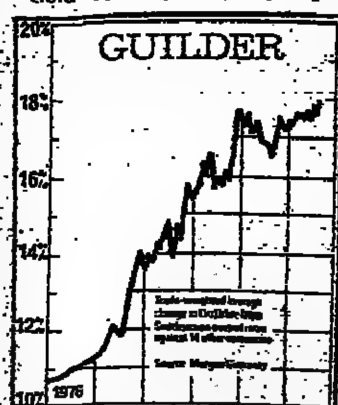
Sterling gained ground while the U.S. dollar was generally depressed in the foreign exchange market yesterday. Optimism about a possible solution to the problem of the sterling balances helped support the pound in fairly quiet trading. It opened at $1.6755-1.6765 and after easing to $1.6720-1.6730, rose to a best level of $1.6820-1.6830 following buying interest from New York in a fairly thin market. Sterling closed at $1.6810-1.6820, a rise of 1.05 cents from Friday.

The pound's trade weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, narrowed to 44.7 per cent. from 44.9 per cent. after standing at 44.9 per cent at noon and 44.7 per cent. in early dealings.

The dollar's weakness was partly the result of an easier trend in Euro-dollar interest rates following moves by the U.S. Federal Reserve Board which are expected to reduce U.S. interest rates and the prime lending rates of some of the major banks. Gloomy predictions about the U.S. economy in future months may also have contributed to the dollar's weakness, and a general movement of funds into European currencies put some pressure on the margins within the European snake. The German mark was very firm against the dollar, with the Dutch guilder also rising sharply. This tended to pull up the Belgian franc and a corresponding rise by the Danish krone pushed both currencies to the top of their allowed limits against the D-mark, possibly calling for some corrective measures by the central banks.

Morgan Guaranty's calculation of the dollar's trade-weighted average depreciation since the Washington Agreement, widened to 1.33 per cent. from 0.85 per cent.

Gold rose $¾ to $131¾-132¼.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Dec. 17	Dec. 16
Sterling	0.691937	0.693964
U.S. dollar	1.15512	1.15434
Belgian franc	42.1272	42.1334
Deutschemark	2.75958	2.76164
French franc	5.76485	5.76477
Italian lira	999.612	998.995
Japanese yen	340.529	340.126
Dutch guilder	2.87567	2.87662
Swedish krone	4.81396	4.80735
Swiss franc	2.83351	2.83171

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Dec. 20	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	2.3700-15	47.58-63	6.645-561	3.990-995	95.91-96.95	98.95-99.0
N. York	41.90-92	—	20.05-08	2.7420-46	1.6781-6800	40.15-21	40.72-80
Paris	211.025-425	4.9782-822	—	13.750-776	8.347-3715	201.46-95	205.52-376
Brussels	[illegible]	36.20-35	7.25-28	—	60.71-85	14.62-67	14.75-22
London	3.971-464	1.681-682	8.385-394	63.20-61.00	—	4.143-164	4.11-12
Am'rd'm	104.24-29	2.47-7.62	49.585-635	6.845-95	4.1445-95	—	101.106-166
Zurich	103.13-21	2.4605-62	49.07-11	6.75-761	4.108-112	98.94-99.01	—

U.S.$ in Montreal, U.S.$ = 101.14-16 Canadian cents. Canadian $ in New York, U.S.$ = 98.83-86 U.S. cents. U.S.$ in Milan 865.50-866.50. Sterling in Milan 1455.25-1456.25. † Rates for Dec. 17.

EURO-CURRENCY INTEREST RATES

Dec. 20	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss Franc
Short term	14½-15	4⅝-4¾	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	14½-15	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rates: two-day ... per cent.; seven-day ... per cent.; one-month ... per cent.; three-month ... per cent.; six-month ... per cent.; one year ... per cent.

Long-term Eurodollar deposits: two years ... per cent.; three years ... per cent.; four years ... per cent.; five years ... per cent.

The following rates were quoted for London dollar certificates of deposit: one-month ... per cent.; three-month ... per cent.; six-month ... per cent.; one year ... per cent.

* Rates are nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs.

GOLD MARKET

Dec. 20

Gold Bullion (a fine ounce): Close $131¾-132¼; Opening $130¾-131¼; Morning fixing $131.50; Afternoon fixing $132.55

Gold Coins domestically: Krugerrand; New Sovereigns; Old Sovereigns

Gold Coins internationally: Krugerrand; New Sovereigns; Old Sovereigns; $20 Eagles

FOREIGN EXCHANGES

FORWARD RATES

OTHER MARKETS

Indices

NEW YORK DOW JONES

	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	Dec. 10	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	979.06	981.40	985.28	980.63	974.74	977.15	1014.79	[illegible]	1051.70	41.22
Home Bonds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transport	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Utilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trading vol. 000's	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]				

Ind. div. yield %	4.50	4.26	4.24	4.87

STANDARDS AND POORS

Industrials	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Composite	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Ind. div. yield %	3.70	3.75	3.78	3.76
Ind. P/E Ratio	11.59	11.27	11.15	12.31
Long Gov. Bond yield	5.35	5.24	5.38	6.05

N.Y.S.E. ALL COMMON

Dec. 17	Dec. 16	Dec. 15	Dec. 14	1976 High	1976 Low
56.24	56.45	56.63	56.54	57.51	57.06

Rises and Falls	
Issues Traded—1,957	Up—670
Down—799	Same—488
New Highs 113	New Lows 5

MONTREAL

	Dec. 17	Dec. 16	Dec. 15	Dec. 14	1976 High	1976 Low
Industrials	169.01	168.24	168.12	166.51	207.64	161.64
Combined	169.27	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TORONTO

Composite	[illegible]

JOHANNESBURG

Gold	171.7	176.1	174.7	178.4	[illegible]
Industrials	172.7	176.1	180.2	179.5	[illegible]

Australia	[illegible]	Spain	[illegible]							
Belgium	[illegible]	Sweden	[illegible]							
Denmark	[illegible]	Switzerl'd	[illegible]							
France	[illegible]									
Germany	[illegible]									
Holland	[illegible]									
Hongkong	[illegible]									
Italy	[illegible]									
Japan	[illegible]									
Singapore	[illegible]									

Indices and base dates (all base values 100 except NYSE All Common—50; Standards and Poors—10; and Toronto—1,000; the last named based on 1975). ... Closed.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—123½% (124¼%)

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY

[illegible]

PARIS

[illegible]

AMSTERDAM

[illegible]

COPENHAGEN

[illegible]

MILAN

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

SWITZERLAND

[illegible]

VIENNA

[illegible]

AUSTRALIA

[illegible]

TOKYO

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

BRAZIL

[illegible]

JOHANNESBURG

[illegible]

SPAIN

[illegible]

FARMING AND RAW MATERIALS

Australia marketing less wool

MELBOURNE, Dec. 20.

THE QUANTITY of first-hand wool to come forward for sale from now until the end of the financial year is some 14 per cent. less than in the second half of last season, despite production figures being revised upwards, Mr. Malcolm Vawser, Australian Wool Corporation general manager (marketing), said.

The Australian wool production forecasting committee agreed to raise its estimate of shorn wool production for the 1976-77 season almost back to the figure issued in July.

The new figure of 648.8m. kilos is 2.9 per cent. higher than the previous estimate in September but it is almost 5 per cent. lower than the previous season's figure and more than 10 per cent. lower than 1974-75.

Sales at auction and tender so far this season had totalled about 2m. bales, including around 1.4m. bales of first-hand wool or approximately 54 per cent. of the estimated total auction and tender offerings of first-hand wool for the season, he added.

When the Australian wool market closed for the first half of the 1976-77 selling season last week it finished on a firm note with prices about 31.3 per cent. above levels ruling at the end of last season.

But most of the increase occurred after the 17.5 per cent. devaluation of the Australian dollar on November 28, the National Council of Wool Selling Brokers said in its weekly review.

Reuter

Coffee values surge ahead to new peaks

BY JOHN EDWARDS, COMMODITIES EDITOR

COFFEE PRICES surged upwards on the London Robusta futures market yesterday to reach new all-time peaks. The March position closed £52.5 up at £2,713 a tonne.

The increase reflected the continued rise in New York, both on Friday and when the market re-opened yesterday, confirming the tight fundamental supply-demand situation. Although buying of actual coffee in Europe is reported to be sluggish, U.S. roasters are apparently continuing to buy up "anything in sight" according to one London dealer.

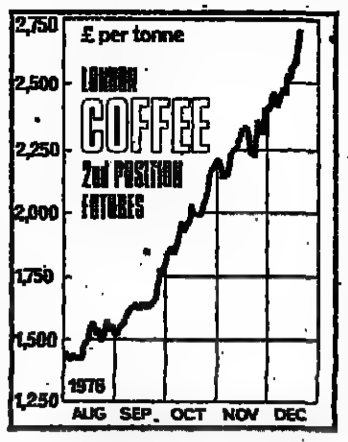
Fresh impetus to the upward move, especially in New York, was given by an announcement from San Salvador that it was raising the minimum export price again.

So far there are no repercussions on the coffee market of the troubles that have hit the cocoa market as a result of difficulties facing an Ivory Coast shipper who trades in both coffee and cocoa.

However the problem surrounding the shipment of 1,500 tonnes of cocoa has yet to be resolved and this has created some nervousness in the market, since several leading London dealers are involved.

On the cocoa futures market in London yesterday the March position gained £35.50 to £1,962.50 a tonne.

However, the latest Ghana main crop purchase figure was *somewhat larger than anticipated* at 17,243 long tons. This makes total main-crop purchases this season 217,712 tons against



265,321 tons after 11 weeks of the 1975/76 season. Although a poor purchase figure in historical terms, the market had been forecasting purchases of around 16,000 tons.

John Worrall writes from Nairobi: Armed Kenyan police were patrolling the Uganda border near Bugoma yesterday after the week-end's "coffee riot," in which two Somali coffee dealers died and 41 Kenyans *were seriously injured.*

The Kenyan authorities have expelled all non-Kenyans from the area. The irot was set off by the big coffee smuggling racket by Ugandan coffee farmers, who unable to get good prices in Uganda have for weeks been hawking coffee over the border to dealers who have flocked into Kenya from as far afield as Somalia to buy coffee at knock-down prices, taking advantage of the high ruling world price.

Ugandans sell their coffee from between £28-£35 a bag and the dealers can sell it in Kenya for more than £46 a bag.

The riot, in the little border market of Chepkube, started when men broke into a store containing coffee and were attacked by the owners of the store armel with pangas. It was stated earlier that 10 had *died in* the battle that ensued but police later corrected the figure to two and said both of them were Somalis.

Ugandan farmers say they run the gauntlet of Idi Amin's police and troops to get their coffee down to the border, although in many cases they find Ugandan soldiers are in the racket as well.

One Ugandan said: "Amin is too busy buying Russian arms to worry about the coffee trade which is in a bad way."

Big turkeys are best bargains

By Our Commodities Staff

FRESH TURKEYS weighing 20 lbs or more look like being a bargain for Christmas this year.

Prices for these heavy birds dropped sharply over the week-end at London's Smithfield market and at other markets. But even at wholesale prices of 28p to 30 a pound, trade was slow.

At the end of business yesterday traders' stands at Smithfield were still festooned with turkeys, with hardly any weighing less than 14 lbs.

The most popular size, the 8-12 lbs hen turkeys, are virtually unobtainable. The rare ones that are available are making 48p to 50p a pound wholesale.

One salesman said: "A 10 lbs turkey will now cost as much as a bird weighing 20 lbs ore more."

Most people now buy their turkeys by the price per bird and at between £7 and £10 each there are still plenty of fresh turkeys available.

The National Federation of Wholesale Poultry Merchants said: "The best Christmas buy now is a large cock turkey weighing 20 lbs or more."

Oven-ready birds of all weights are still selling well.

Copper stocks resume rise

By Our Commodities Editor

COPPER PRICES gained ground on the London Metal Exchange yesterday, despite a rise of 1,475 tonnes in stocks raising the warehouse holdings to a new all-time peak of 595,000 tonnes. Buying interest was stimulated mainly by end-year contitions.

Tin values in London failed to reflect a sharp rise in Straits tin in Penang over the week-end. As anticipated tin stocks fell by 135 to 5885 tonnes. There was a big fall, as expected, in zinc stocks—down by 14,215 to 95,375 tonnes. Lead stocks too fell by 150 to 69,650 tonnes, while LME silver holdings declined by 140,000 to 26,590 ounces.

PAKISTAN WHEAT

By Our Own Correspondent

KARACHI, Dec. 20.

Pakistan would not have to import a single wheat grain during the current fiscal year due to a bumper wheat harvest, according to Chaudhry Sultan Ali, special assistant to the Prime Minister.

He said the country similarly had a very good rice crop this year and had so far exported 800,000 tons of rice to other countries.

SUGAR MARKET

Price decline rocks U.S. producers

BY ART GARCIA IN CALIFORNIA

BEHIND TOURISM and U.S. Federal Government spending, sugar ranks third in Hawaii's income, pumping about $365m. into the island State's economy last year. But the record prices that sweetened profits for Hawaii's big sugar producers in 1974 soured in 1975 and 1976 with the expiration of the U.S. Sugar Act at the end of 1974.

This has driven free market prices in the U.S. well below growers' costs and is the main reason Hawaii's sugar giants have seen their books awash in red ink this year and the State's economy seriously dampened.

As the third largest sugar-producing State in America, Hawaii has been particularly staggered by the setbacks that have hit what has been one of its traditional money-makers. The State's sugar industry is "near death," says Mr. Thomas Hitch, economist for the First Hawaiian Bank. Unless the dumping of excess foreign sugar in the U.S. is stopped soon, he warns, Hawaii will suffer an economic crisis "of magnitude and duration almost impossible to cope with."

Uncle Sam

But not only the Hawaiian sugar producers are caught in the present squeeze. Mainland U.S. sugar cane and sugar beet producers also are being hurt and are angry. "The lack of a definitive supply management system in the U.S. since expiration of the Sugar Act has brought with it the predicted hazards—volatility in price and uncertainty of long-term supply," grumbled Mr. John Bunker, president of Colorado's Holly Sugar Corporation, as he reported lower prices for refined sugar cut Holly's September first half sales to $103.5m. from $129.4m. a year earlier.

The villain in the U.S. sugar industry's current woes is a so far unresponsive Uncle Sam. Sugar processors blame the U.S. Government for abandoning the national Sugar Act after 40 years of what the industry terms effective regulation. America to-day is the only major sugar-producing and sugar-importing nation in the world without effective support for that commodity.

"In contrast," fumes Mr. John Buyers, president of C. Brewer, a Honolulu-based producer, "approximately 80 per cent. of the world's sugar is protected in other nations by internal regulation and bilateral or preferential trade agreement." Lack of effective government action, he charges, is threatening the survival of the American sugar industry and could make the U.S. wholly dependent on foreign producers.

Brewer, *which reported* a third quarter loss this year of $1.1m. against earnings of $3m. a year ago, has urged President Ford to impose immediately effective quotas on foreign sugar.

Similarly hurt is Amfac, a Honolulu based diversified consumer services company, whose pre-tax sugar losses in the third quarter came to more than $6m., against earnings of nearly $13m. in the comparable period of 1975.

Because of the drop in sugar prices, Amfac expects continued losses in the fourth quarter from its sugar operations.

"Prices were too high in 1974 and we said so, but now they are below the cost of producing sugar," says Mr. Henry Walker Jr., chairman and chief executive, *in echoing the call for* U.S.

Alexander and Baldwin, another of Hawaii's old-line companies, believes sugar prices aren't likely to move much lower over the next few months, "but without further action by the White House they are unlikely to improve much in the short term," says Mr. Lawrence Pricher, the company's president.

He is "increasingly hopeful" there will be new sugar legislation in 1977 to restrict imports and stabilise prices, although no such legislation is currently pending in Congress.

The sugar industry hopes to have a Bill drafted before Congress reconvenes in January and it figures a reselling job on the merits of the proposal to the incoming President and gentleman-farmer Jimmy Carter won't be necessary.

More dumping

Without some form of regulation of imports, the industry fears prices will remain low or deteriorate further because increases in world sugar stocks are forecast for the 1977 crop year. *But even if new sugar legisla*tion does emerge next year, there is no assurance it will be completed in time to have any effect on U.S. producers' 1977 income.

From a record price of 65.5 cents a pound in November of 1974, the price of raw sugar recently fell to about 7 cents, far below production costs in most sugar-growing countries.

Particularly hard hit have been the less than sturdy economies of developing countries that grow sugar, such as Cuba and the Dominican Republic, whose troubles were not eased by the tripling of the U.S. sugar import tariff in September to protect American producers.

The U.S. produces less than 80 per cent. of the sugar it consumes, making it by far the world's largest importer. With world production in the New Year prediced to move further ahead of consumption, more dumping of foreign sugar in the U.S. market at prices below production costs appears to be the only sure thing on which the troubled American sugar industry can count.

Disease may hit sugar cane crop in Fiji

SUVA, FIJI, Dec. 20.

FIJI'S SUGAR cane crop could suffer a disease catastrophe next year unless farmers stop growing the pindar variety of cane, the Fiji Sugar Corporation warned.

It estimated farmers still had 10,000 acres under pindar cane, which is highly susceptible to Fiji disease.

The FSC said outbreaks of Fiji disease in other countries had cost millions of dollars in lost cane.

An epidemic could break out in Fiji if the virus turned more virulent, or if a leaf hopper plague exploded to carry the disease from farm to farm, it added, urging farmers to switch to other varieties of more resistant cane.

Earlier this month, Mr. Ian Thompson, independent chairman of the Fiji sugar industry, said Fiji's sugar production this year should rise to about 288,000 tonnes from 268,107 last year.

Reuter

German crops need more rain

HAMBURG, Dec. 20.

HEAVY RAINFALL *will be* needed in West Germany in coming months to provide enough water for crops in the main vegetation period, grain merchant Alfred C. Toepfer said in its monthly bulletin, reports Reuter.

In November, rainfall was 90 per cent. of average, but the October level was only 65 per cent. of average, it said.

Toepfer said farmers could be satisfied with the results so far of their grain sowing. Progress had been aided by the early start and the recent comparatively mild weather.

The rape crop had recovered well after its poor initial development, but there was considerable moisture deficit in the deeper ground layers.

This year's maize harvest was nearly 10 per cent. down on last year at 480,000 tonnes, it added. The crop area was around 7 per cent. higher, but the per hectare yield was only 4.7 tonnes, 15 per cent. lower than in 1975.

*Sugar beet deliveries to re*fineries for 1976-77 are now put at 18.5m. tonnes, not far behind the previous year's 18.8m. tonnes despite earlier pessimism.

Meanwhile in Budapest, Hungary published its 1977 economic targets under which agricultural produce is expected to rise 7-8 per cent. compared with 1976.

Grain yields are planned to exceed the 1976 level by about 1m. tonnes bringing total grain production to about 13m. tonnes.

Figures for 1976 showed that owing to weather losses, farm production was likely to remain static at about 1975 levels, despite plans for a 4 per cent. rise.

The plan calls for a 17 to 18 per cent. rise in exports to non-Communist countries with Western imports allowed to rise by only 8 per cent. Figures released by the official MTI news agency showed exports to Communist countries were expected to rise 12 per cent. and imports 7 per cent.

In the southern hemisphere Brazil's wheat marketing board (CTRIN) reduced its estimate for Brazil's current crop by 500,000 tonnes to 3.2m. tonnes.

Board sources said it had reduced its estimate from the 3.7m. tonnes it was forecasting two months ago as the effects of bad weather early in the growing season became clear.

There are no new factors involved. Harvesting which is almost over except for parts of Rio Grande do Sul has been progressing normally, they added.

The Board will have a clear picture of the crop when it completes its purchases from farmers in the second half of next month.

So far it has bought just over 2.7m. tonnes. Purchases in most of the States are complete or nearly complete.

Reasonable amounts are left only in Rio Grande do Sul where the Board has so far bought 1.5m. tonnes.

Soyabean meal output likely to drop

WASHINGTON, Dec. 20.

WORLD SOYABEAN production in soyabean meal equivalent is forecast at 41.4m. tonnes next year, 4.1m. tonnes below the revised 45.5m. tonnes estimated output this year, the U.S. agriculture Department's Foreign Agriculture Service estimates.

The FAS said the indicated decline reflected a sharp reduction in U.S. soyabean meal availabilities from this year's crop, but noted that expansion in meal output from the prospective 1977 soyabean harvests in Brazil and Argentina would *partially offset* this decline.

It estimated world exports of soyabeans and soyabean meal in 1977 at a record 25.7m. tonnes (real equivalent) 1.2m. tonnes above the 1976 estimate.

The expected increase in 1977 exports would be largely due to heavier buying by the Soviet Union from the U.S. and Brazil as well as some soyabean purchases from Brazil by China.

The FAS noted the Soviet Union was likely to import about 2m. tonnes of soyabeans in the current marketing year, with 1.5m. tonnes from the U.S.

Reuter

BASE METALS

COPPER—Higher on the London Metal Exchange in thin trading with the contango tending to widen. Forward metal opened at £810 in line with the late close on Friday. Buying in anticipation of higher values in the New York induced some stop-loss purchases which pushed the price up to £816 on the morning Kerb. [illegible]

TIN—Drifted after a steady start. The Eastern market was higher over the week-end, and London opened firmly, in comparison with Friday evening levels, at £5,120 for forward material. [illegible]

LEAD—Steady, taking its cue in early dealings from the firmness of copper. There was good bidding for cash metal [illegible]

ZINC—Little changed although the market was not able to sustain its gains. [illegible]

I.G. Index 01-351 3466. March Coffee 2710½-2719½

SILVER

Silver was fixed 1.8p an ounce lower for spot delivery in the London bullion market yesterday, at 257.6p. [illegible]

COCOA

The strength of the near-December position continued to influence trading, and the overall tone through the day was quietly steady, reports Gill and Duffus. [illegible]

GRAINS

THE BALTIC—A moderate tonnage of optional U.S. corn traded for Dec. transhipment to the U.K. south coast but other imported grains remained generally at unchanged prices. [illegible]

MARK LANE—Business remained quiet for most of the session and brokers reported little change in basic prices. [illegible]

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. [illegible]

SOYABEAN MEAL

SUGAR

LONDON DAILY PRICE (raw sugar) [illegible]

COFFEE

RUBBER

UNCHANGED opening on the London physical market. Little interest throughout the day, closing slightly easier. [illegible]

JUTE

DUNDEE—Quiet. [illegible]

WOOL FUTURES

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on week ending December 18. GB Cattle £31.49 per live cwt. (61.97p per kg. l.w.); U.K. Sheep 55.2p per pound est. DCW (11.7p per kg.); GB Pigs £4.86 per sc. l.w. (3.8p per kg. l.w.). England and Wales—Cattle numbers up 14.8 per cent., average price £31.25 (61.83p per kg. l.w.); Sheep numbers up 10.5 per cent.; average price 55.7p (122.8p per kg. l.w.); Pig numbers up 18.8 per cent., average price [illegible]

COVENT GARDEN—(Prices in sterling) [illegible]

VEGETABLE OILS

LONDON PALM OIL TERMINAL—The market remained quiet [illegible]

GRIMSBY FISH—Supply good and demand good. [illegible]

COTTON—Liverpool. Spot and shipment sales amounted to 344 tonnes, reports F. W. Tattersall. [illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 20 1976	+ or −	Month ago
Metals			
Aluminium	£579		£579
Free Market (cif)	$885-900		$890-920

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

COMPANY NOTICES

BAYER AKTIENGESELLSCHAFT

CONVERTIBLE LOAN STOCK [illegible]

QUEBEC CENTRAL RAILWAY COMPANY

4% FIRST MORTGAGE DEBENTURE STOCK [illegible]

REPUBLIC OF AUSTRIA

6% BONDS 1979-84 [illegible]

LONDON COMMODITY CHARTS

[illegible]

U.S. Farm Secretary designate named

PLAINS, Dec. 20.

MR. ROBERT BERGLAND, of Minnesota, the Agriculture Secretary designate, said to-day he favoured a form of parity pricing for farm products.

Mr. Bergland told reporters following his selection by President-elect, Jimmy Carter, that farm product prices are affected by a number of variables, most notably weather.

"I will favour a system which introduces a form of parity that will take those variables into account," he said.

"I will be a farmer's advocate," he added but stressed there will be no decisions pending an economic review.

He pointed out two successive good crop years in the U.S. have brought down wheat prices.

In the past Mr. Bergland has favoured an increase in the target prices bringing them more into line with actual production costs.

Reuter

Manganese ore contract talks break up

ANNUAL NEGOTIATIONS between producers and consumers on the pricing of manganese ore to Europe have broken off until after Christmas and chances of business developing until early next year are remote, trade sources believe.

During the talks buyers have so far resisted a proposed a proposed increase of around 3 per cent. on 1976 prices, which traders assess from around 147 cents per tonne unit cif for 48 per cent. ferro grade paid by U.K. consumers up to 155 cents paid in Continental Europe and Scandinavia.

Buyers are adopting a cautious approach with many of them not expecting any upturn in the steel trade until at least the middle of 1977.

Some consumers are still seeking supplies at this year's prices, and some are looking for lower priced supplies.

NEW FERTILISER PLANT IN INDIA

By Our Own Correspondent

NEW DELHI, Dec. 20.

The Fertiliser Corporation of India and Snamprogetti of Italy have signed an agreement on the expansion of the Trombay fertiliser factory. This provides for engineering, supply of equipment and technical supervisory services for the construction of a 900 tonne a day ammonia plant and another urea plant with a capacity of 1,000 tonnes daily, both at Trombay in Mahrasthtra State.

STOCK EXCHANGE REPORT

Fresh gains in equities which close below the best

Index up 1.5, at 341.0—Golds inclined easier

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 29	Dec. 9	Dec. 10	Dec. 21
Dec. 13	Dec. 30	Dec. 31	Jan. 12
Jan. 4	Jan. 13	Jan. 14	Jan. 25

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets remained in good heart as the second week of the long Christmas Account got underway yesterday. The fresh improvement, however, was at a far more sedate pace after the strong upward movement over the preceding two trading days. Sentiment generally was helped by hopes of a gradual move towards lower interest rates, the continued firmness in sterling and the slowdown in the growth of the money supply.

[illegible] still showing interest in the equity leaders and, despite several bouts of profit-taking which left final quotations below the best, the tone in the late dealings remained firm overall. Up 4.6 at its highest of the day at 1 p.m., the FT 30-share index closed 1.5 higher on balance at 341.0, for a two-day rise of 27.2. British Funds also made fresh headway, a useful demand at the longer end of the market lifting pieces with gains reaching to 1 1/4. The Government Securities index rose 0.13 to 59.18 after last Friday's sharp recovery which the index moved up 0.83.

Selective support for secondary equity issues was reflected in the 5-2 majority of rises over falls in FT-quoted Industrials and a gain of 1.3 per cent. to 145.11 in the FT-Actuaries All-Share index. Week-end Press comment attracted a fairly ready response, but outstanding features were few. Official markings of 4,597 compared with 3,970 last Friday and 5,514 a week ago.

Gilts continue rise

British Funds responded to favourable influences which included the trend in sterling, the November money supply statistics and the cut in the U.S. Prime rate to 6 per cent., while tending to ignore adverse factors such as last month's increase in the annual rate of inflation. Renewed demand for the long tap, Treasury 15 1/4 per cent. 1998, A, saw the Government broker withdraw his selling price of 99 1/4, established later at 99 [illegible]. This encouraged other longs to move higher, mainly by 1/4, while the continuing tightness of money failed to deter the shorts which made improvements of [illegible]. The upward movement continued after-hours, when many longs gained a further [illegible].

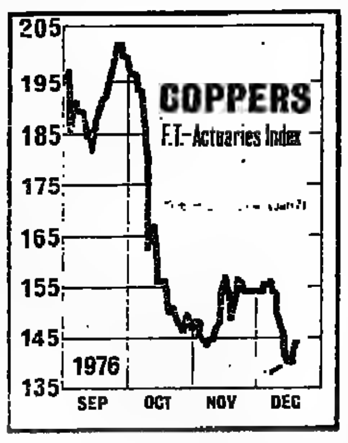
Trading [illegible] in the investment currency market. On only a small institutional business, the premium quickly rose to 127 [illegible] before reacting [illegible] following light [illegible] the closing level [illegible] on balance at 125 per cent. Yesterday's SE conversion factor was 0.6802 (0.6872).

Keyser Ullmann down

Keyser Ullmann became a dull market, losing 2 to 18p, on the [illegible] that the group incurred [illegible] Bristol [illegible]. Elsewhere in Merchant Banks, Guinness Peat were up 5 to 129p and Brown Shipley rose 10 to 105p. The big four Banks moved within narrow limits and closed a shade easier. Lloyds and Midland both easing 2 to [illegible] and 240p respectively, [illegible] last Friday's [illegible] on the strength of the investment currency premium, selected foreign banks remained firm. Hong Kong and Shanghai hardened 5 [illegible] at 255p and National Bank of Australasia rose 12 to 250p. Discounts were higher in places with Union notable for a gain of 10 [illegible].

Sun Alliance hardened 5 to 445p, Phoenix 4 to 172p and General Accident 3 to 150p in other Insurances.

Breweries took on an easier appearance in quieter trading. Bass Charrington cheapened a penny to 82p following the annual report and Arthur Guinness were a similar amount off at 124p. Elsewhere, Distillers at 119 1/2p, gave back 1 1/2 of last Friday's gain of [illegible] which stemmed from the news of the 20 per cent. increase in export prices of the group's standard brands of scotch whisky. H. P. Bulmer, however, hardened another 2 to 94p.



Buildings, a neglected market of late, had one of its best sessions for some time and closed with a fairly lengthy list of substantial gains. Taylor Woodrow improved 12 to 242p in a market short of stock, while R. Costain, 132p, Marchwiel, 107p, and Tarmac, 112p, all closed around 5 better. Redland, which reported interim figures on January 13 last year, moved up 3 to 77p. John Laing A improved similarly to 62p while Marley, 38p, and Fairview Estates, 22p, put on 2 apiece. Gains of 3 were seen in Baggeridge Brick, 23p, and Rugby Portland, 44p, while Tunnel B were raised 4 to 134p. In Timbers, Magnet and Southerns rose 3 to 103p.

After touching 322 1/2p, ICI finished 2 cheaper on balance at the day's lowest of 318p. Enalon Plastics edged up 2 to 50p in front of the preliminary figures, while rises of 5 were seen in Hickson and Welch, 290p, and Yorkshire, 98p. Coates Bros. finished a penny harder at 45p following news of the Board reorganisation.

Television Contractors were better where changed. Anglia A and Grampian A both closing a penny harder at 90p and 19p respectively.

BICC firm

BICC scored an above-average rise in quiet Electricals, closing 5 higher at 83p. Racal Electronics improved similarly to 226p, while Lee Refrigeration, 84p and Muirhead, 116p, put on 3 apiece. General Electric closed a penny harder at 168p following reports of plans to raise capital abroad. Pye hardened 2 to 39p as did Comet Radiovision, to 45p.

Stores closed with a sprinkling of modest rises following a less active business than of late. Gussies A continued firmly, rising 3 to 171p for a two-day gain of 8 following Press comment. The same reason helped Forminster put on 2 to 36p, and Burton A rise 3 to 32p. Mothercare improved 4 to 202p, while further consideration of the interim statements left S. and U. Stores and Wearwell both a penny harder at 8p and 10 1/2p respectively. Other firm spots included Status Discount, 5 higher at 37p, and W. H. Smith A, 6 to the good at 308p. Mail Orders also had a firmer inclination. Empire Stores and Grattan Warehouses both closing 3 better at the common price of 74p.

Publicity given to a broker's circular drew buyers to Hawker which rose 6 to 426p in a basically sound Engineering sector. Week-end comment of a possible rival bid caused Spear and Jackson to rise to 120p before a close of a net 6 higher at 118p, while Edge Tool 5 per cent. Preference jumped 20 to 45p bid on the offer of 50p cash from Eva Industries: the latter owns all the Ordinary shares. News items lifted North British Steel and Gordon Johnson-Stephens by 1 to the common price of 25p, but General Engineering (Radcliffe), still reflecting the interim setback, shed 1 more to 16p. Elsewhere, APV picked up 5 to 242p, British Northrop 1/2 to 96p and Sheepbridge 2 1/2 to 50p. Amalgamated Power were unchanged at 60p: the price in Saturday's issue was incorrect.

Apart from Cavenham, 2 easier at 91p following Press comment on the interim report, Foods made modest headway in light trading. J. Bibby featured with a rise of 10 to 92p on fresh speculative support, while Associated Dairies were active and 4 better at a 1976 peak of 184p following Press comment in front of tomorrow's interim figures. United Biscuit rose 5 to 122p, while gains of 3 were seen in Tate and Lyle, 255p, and J. Sainsbury, 120p. FMC, a firm market of late on trading news, closed a penny harder at 47p, after 48p. In Supermarkets, Tesco also hardened a penny, to 32 1/2p.

Leisure and General eased 1 1/2 to 25p in Hotels and Caterers where Epicure edged up 1 1/2 to a 1976 peak of 40 1/2p and Trust Houses Forte moved up 2 1/2 to 100p.

Unilever issues up

Unilever, 12 to the good at 428p, and the NV 1 1/2 points up at £25 led the Miscellaneous Industrial leaders into higher ground. Beecham, helped by Press comment, advanced 4 to 384p, after 388p, while Boots, 117p, and Turner and Newall, 126p, both added 3. Reckitt and Colman were wanted at 330p, up 10, and Reed International gained 7 to 182p. Elsewhere, week-end Press comment drew buyers attention to IC Gas which rose 11 to 325p. Doubled first-half earnings left Celestion Industries a penny up at 10 1/2 and gains of 4 and 8 respectively were recorded in De La Rue, 227p, and Foseco Minsep, 136p, Johnson Matthey added 8 to 300p and Crest Nicholson firmed 3 to 20p. Giltspur, on the other hand, shed a penny to 24p on the reduced first-half earnings. The Australian concern, Broken Hill Proprietary lost 15 to 680p.

There was a better two-way business in Motors and Distributors, but prices closed with little variation. Kwik-Fit were notable for a rise of 6 to a 1976 peak of 40p, while Zenith Barburettes A, 53p, and Henlys, 82p, put on 2 apiece. Bluemel Bros. responded to the preliminary figures with a gain of 2 to 82p.

A little more interest developed in Newspapers and Publishers where News International, 108p, and Pearson Longman, 92p, both gained 3, while William Collins put on 4 to 96p. Of those with North Sea oil content, Associated Newspapers improved 2 to 110p, but Thomson eased that much to 378p, after 375p. Signs of a revival were also apparent in Paper/Printings; DRG rose 4 to 83p, Associated Paper rallied 2 1/2 to 18 1/2p and Inveresk gained 2 to 42p, the last-named with the aid of Press comment. Advertising Agencies featured Kimpher, which closed 2 1/2 dearer at 19 1/2p.

Brit.-Borneo fall

Oils entered a period of consolidation after the activity of the previous week. Shell hovered either side of 442p before closing at that level, for a net rise of 2, while British Petroleum were similarly harder at 760p and Royal Dutch marginally better at £43 1/4. Secondary issues often relinquished small early gains to end unaltered with the exception of British-Borneo which, on the offer of 140p cash from Gold Fields, reacted as speculators who had been hoping for a higher bid cut their positions to bring a close of 136p, down 17.

Properties were firm enough, but buyers remained selective and in several cases where demand faded prices came back. Land Securities reverted to last Friday's closing level of 134p, after 136p, while Stock Conversion gave up much of an early rise to close only 1 harder at 157p, after 160p. MEPC were unsettled by adverse newspaper comment and lost 3 to 45p, but Hammerson "A" gained 7 further to 305p and Warnford Investments moved up 5 to 165p. Still reflecting last week's half-yearly figures, Lynton Holdings advanced 3 more to 68p, but following trading announcements yesterday, County and District eased 1 to 37 1/2p and Chesterfield remained at 136p. Churchbury Estates improved 4 to 138p.

St. Kitts (London) featured Overseas Traders, closing 17 cheaper at 143p, after 130p, on the nationalisation terms from the Government of St. Christopher Nevis Anguilla. S. and W. Berisford, at 142p, lost 6 of Friday's rise of 7 which followed the results. Lonrho, however, hardened 2 to 68, while similar gains were seen in Thomas Borthwick, 77p, and Sime Darby, 118p.

Despite the idle conditions, some useful gains were recorded in Investment Trusts. Dualvest Capital added 6 at 107p as did Jardine Securities, to 128p, while Challenge Corporation rose 8 to 153p. Dalgety put on 3 to 225p and S. Pearson were a like amount better at 112p with SPR Investments 4 to the good at 81p. Dealings in Direct Spanish Telegraph, 47p, were suspended at the start of business yesterday at the company's request pending a further announcement; news of a bid from Trafalgar House is expected to-day.

Shippings displayed no set trend after a moderate business. P & O Deferred were relatively lively, but closed a shade off at 115p, while Furness Withy improved 5 to 189p. Common Bros. eased 3 to 147p.

Modest gains were in the majority in Textiles where Slimma stood out at 52p, up 5. Hellas hardened 3 to 37p, and Illingworth Morris "A" edged forward a penny to 17p, the latter on the better-than-expected first-half profits. Worth (Bond) held steady at 22p ahead of to-morrow's results but Courtaulds eased back a penny to 83p.

Among quietly firm Tobaccos, BATs Industries, 270p, and the Deferred, 228p, improved 2 and 3 respectively, while Rothmans International hardened a penny to 32p.

Apart from Tiger Oats, 15 higher at 455p, South African Industrials drifted gently lower in light trading.

The bid by the Dutch parent to acquire the shares not already owned left East Asiatic Rubber 28 higher at 95p in otherwise idle Plantations.

Golds easier again

The fluctuations of the bullion price, which fell to $131.50 at the morning fixing before rallying to close 25 cents up at $132.125 per ounce, prompted modest offerings of gold shares from both Cape and local sources. Although prices tended to recover in afternoon dealings they still closed lower on balance.

The Gold Mines index lost 2.2 more to 114.7—its lowest since October 27. In the heavyweight issues West Dries rallied from £18 1/4 to £18 3/4 for a net gain of 1/4 but Western Holdings drooped a similar amount to £13 3/4. Among the lower-priced stocks, Kloof continued to weaken and closed 15 off at 325p, while Doornfontein gave up 20 to 190p.

In Financials, continued speculation of a link with BP but not a full scale takeover bid left Rio Tinto-Zinc 3 off at 175p. [illegible] Fields were 2 easier at 154p. S[illegible]tion Trust gained 5 more to [illegible] on talk that further drill re[illegible] are imminent from the Teut[illegible] Bore area of Western Austr[illegible].

The overseas-based Financ[illegible], however, generally decl[illegible] "Amcoal" were 15 down at [illegible] and "Amgold" lost 1/4 to [illegible]. Rand Selection, however, ros[illegible] to 365p in front of the chairm[illegible] statement.

Coppers and Platinums [re]mained neglected, but Tins [im]proved owing to the higher m[illegible] price. St. Piran advanced an[illegible] 6 to a year's high of 63p, still [illegible] consideration of the exce[illegible] rise in first-half results. Mal[illegible] Tin put on a similar amoun[t to] 213p and, in front of the [illegible] half-year figures, Southern K[illegible] rose 3 to 75p.

In Australians, Whim C[illegible] were outstanding with a jum[p of] 35 to a year's high of 105p on [news] that the company has an int[erest] in a base-metal discovery in [the] Isle of Man. Otherwise Austra[lians] were usually a few pence e[asier], reflecting the slightly lower [trend] of overnight home markets.

FINANCIAL TIMES STOCK INDICES

—	Dec. 20	Dec. 17	Dec. 16	Dec. 15	Dec. 14	Dec. 13	A Yr. ago
Government Secs	59.18	59.05	58.42	58.92	58.87	59.01	59.
Fixed Interest	59.43	59.21	58.85	60.00	58.82	58.42	59.
Industrial Ordinary	341.0	339.5	322.7	313.8	324.5	333.7	36[illegible]
Gold Mines	114.7	116.9	120.9	120.2	119.9	123.6	24[illegible]
Ord. Div. Yield	6.57	6.38	6.74	6.90	6.70	6.54	5.
Earning Y'ld % (full)(*)	19.90	20.02	21.17	21.69	21.06	20.55	16.
P/E Ratio (net) (*†)	7.35	7.31	6.91	6.75	6.95	7.13	9.
Dealings marked	4,597	3,970	4,516	4,925	5,770	5,614	5,3[illegible]
Equity turnover £m.	—	70.20	65.86	54.32	57.86	77.08	46.
Equity bargains total.	—	11,184	10,435	9,151	12,554	14,215	13,0[illegible]

10 a.m. 340.6. 11 a.m. 339.4. Noon 342.4. 1 p.m. 344.3. 2 p.m. 344.3. 3 p.m. 342.9.

Latest Index 01-246 8026.

* Based on 52 per cent. corporation tax. † Nil=7.28.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. ‡ Corrected.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1)	55.88 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	55.37 (28/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (2/8)	442.3 (22/5/75)	42.5 (28/10/71)

S.E. ACTIVITY

—	Dec. 20	Dec. 17
Daily—		
Gilt-Edged	185.8	157.
Industrials	143.3	126.
Speculative	32.0	30.
Totals	104.6	90.
5-day Av'r'ge		
Gilt-Edged	206.9	213.
Industrials	146.8	152.
Speculative	53.5	54.
Totals	108.2	96.

Industry Act interest rates

THE MAXIMUM RATE of [in]terest relief grant, and inte[rest] rates for loans under Secti[on] [illegible] of the Industry Act, 1972, [are] increased from to-day.

The rate of interest r[elief] grant available in cases w[here] it would be appropriate to a[llow] the equivalent of an interest[-free] period on an Industry De[partment] loan—but where financ[e is] obtained from other source[s]—[is] being raised from 15 1/2 per [cent.] to 16 per cent. for each inte[rest-] free year.

The concessionary rate o[f in]terest on loans for employm[ent-] creating projects (Category [illegible]) is increased from 12 1/2 per [cent.] to 13 per cent.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon. Dec. 20 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net)	Est. P/E Ratio (Nil)	Fri. Dec. 17 Index No.	Thurs. Dec. 16 Index No.	Wed. Dec. 15 Index No.	Tues. Dec. 14 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (178)	125.92	+1.5	22.40	7.63	6.65	6.60	124.10	120.45	122.15	122.67	139.15	160.06 (21/4)	100.85 (28/10)	206.37 (4/5/72)	50.71 (13/12/74)
2 Building Materials (30)	99.66	+2.4	24.69	9.86	6.10	6.09	97.36	94.67	95.93	97.50	136.75	150.18 (15/1)	85.55 (27/10)	255.84 (2/5/72)	44.27 (11/12/74)
3 Contracting, Construction (22)	155.46	-4.1	28.64	7.01	5.38	5.39	149.37	146.33	148.49	151.02	242.15	260.20 (15/1)	122.08 (27/10)	389.33 (19/5/72)	71.48 (2/12/74)
4 Electricals (16)	259.60	+0.9	18.89	5.57	7.89	7.70	257.27	246.94	251.88	261.37	257.27	287.30 (21/4)	190.54 (27/10)	380.04 (4/5/72)	84.71 (25/6/62)
5 Engineering (Heavy) (13)	155.75	+0.5	31.04	8.43	4.69	4.62	154.91	149.59	154.16	155.01	158.50	195.18 (3/5)	123.56 (27/10)	202.57 (6/6/75)	64.39 (2/1/75)
6 Engineering (General) (66)	117.40	+1.0	22.35	7.95	6.64	6.63	116.41	113.74	114.59	114.84	122.95	149.29 (3/5)	95.20 (28/10)	168.59 (4/5/72)	45.43 (6/1/75)
7 Machine and Other Tools (9)	54.99	+1.0	17.98	8.08	8.50	8.28	54.45	53.70	53.59	53.79	48.64	60.62 (3/5)	45.29 (11/10)	136.70 (4/7/69)	19.96 (13/12/74)
8 Miscellaneous (22)	107.15	+1.7	20.93	8.56	6.99	6.91	105.35	102.68	103.75	103.54	116.89	141.94 (11/5)	90.23 (28/10)	177.41 (27/4/72)	49.65 (6/1/75)
9 CONSUMER GOODS (DURABLE) (53)	109.07	+1.0	22.89	6.59	6.54	6.54	108.00	105.25	104.42	105.10	116.81	141.46 (21/4)	88.12 (28/10)	227.78 (12/4/72)	58.39 (6/1/75)
10 Lt. Electronics, Radio TV (15)	116.33	-0.6	21.25	4.93	7.00	7.00	116.62	114.75	113.68	114.42	132.72	160.35 (7/4)	87.51 (27/10)	257.41 (19/5/72)	42.85 (13/12/74)
11 Household Goods (13)	116.90	+0.4	28.15	10.51	5.82	5.80	116.45	114.23	114.30	114.91	165.50	187.22 (7/4)	104.60 (27/10)	263.22 (4/5/72)	65.92 (17/12/74)
12 Motors and Distributors (25)	73.26	+1.7	24.22	7.78	6.20	6.20	72.04	70.79	70.20	70.67	67.17	86.16 (5/5)	56.10 (28/10)	170.59 (15/1/69)	19.91 (6/1/75)
13 CONSUMER GOODS (NON-DURABLE) (170)	130.82	+1.7	17.66	7.50	8.56	8.47	128.60	125.45	123.59	125.39	145.97	162.24 (4/2)	104.41 (27/10)	226.08 (16/8/72)	61.41 (13/12/74)
14 Breweries (15)	140.45	+0.4	17.05	8.29	8.79	8.79	139.89	135.00	128.01	130.45	156.76	179.43 (2/2)	111.17 (27/10)	281.87 (28/11/72)	69.47 (13/12/74)
15 Wines and Spirits (6)	154.22	—	16.36	7.55	9.38	9.38	154.19	145.56	142.95	147.10	167.56	190.67 (5/5)	124.71 (28/10)	257.40 (13/7/72)	78.38 (13/12/74)
16 Entertainment, Catering (15)	166.58	+1.6	16.29	8.12	8.36	8.28	165.00	157.74	154.64	158.63	165.48	211.36 (8/3)	127.11 (28/10)	329.99 (12/1/72)	64.85 (9/1/75)
17 Food Manufacturing (23)	144.16	+2.5	20.25	8.51	7.44	7.31	140.68	137.81	137.69	138.47	158.81	179.44 (1/5)	120.54 (27/10)	211.65 (15/9/72)	59.67 (11/12/74)
18 Food Retailing (16)	123.58	+1.5	16.73	6.39	9.28	9.28	122.04	120.74	119.29	120.55	141.45	150.05 (12/1)	92.79 (28/10)	255.08 (18/8/72)	54.25 (11/12/74)
19 Newspapers, Publishing (16)	191.20	+1.7	13.81	5.61	10.97	10.97	187.97	186.04	185.66	185.70	159.27	191.20 (20/12)	148.46 (12/10)	260.29 (12/1/72)	55.08 (6/1/75)
20 Packaging and Paper (12)	84.77	+1.5	21.07	9.61	7.28	7.28	83.52	82.54	83.76	83.26	101.46	112.50 (26/2)	72.34 (27/10)	136.69 (28/4/72)	45.46 (6/1/75)
21 Stores (34)	106.12	+2.1	14.73	6.73	10.46	10.43	103.90	100.42	98.66	100.92	120.59	156.24 (2/2)	78.47 (25/10)	204.39 (16/5/72)	52.65 (6/1/75)
22 Textiles (24)	114.16	+1.6	17.65	10.59	6.80	7.99	112.35	109.54	107.64	109.03	156.92	183.24 (30/1)	96.76 (27/10)	255.72 (17/1/67)	62.66 (11/12/74)
23 Tobaccos (3)	203.39	+2.1	21.54	8.50	6.90	6.90	199.23	198.15	196.65	198.54	214.21	241.98 (5/5)	167.36 (28/10)	339.16 (2/8/72)	94.34 (13/6/62)
24 Toys and Games (6)	73.79	+0.6	22.45	8.59	5.98	5.95	73.32	71.85	71.70	71.87	61.67	80.95 (16/7)	69.13 (22/1)	135.72 (16/1/73)	20.92 (6/1/75)
OTHER GROUPS (95)															
25 Chemicals (26)	198.02	+2.1	16.56	5.65	8.32	8.32	193.92	189.24	188.16	189.58	194.35	231.38	155.10	231.38	71.20
26 Office Equipment (8)	68.21	+2.4	18.14	7.76	7.98	7.98	67.80	67.80	65.70	65.64	85.14	100.18	59.28	146.06	45.34
27 Shipping (11)	374.67	+1.6	14.35	7.06	10.02	9.11	368.75	363.96	361.11	365.51	351.00	453.64	308.48	517.00	90.80
28 Miscellaneous (50)	134.08	+2.0	18.81	5.60	7.90	7.90	131.50	128.65	128.40	130.43	150.90	172.86	108.14	180.57	60.39
29 INDUSTRIAL GROUP (496)	154.68	+1.7	18.66	7.50	7.83	7.77	152.46	149.16	148.46	129.80	146.59	184.38	107.32	220.17	59.01
30 OILS (4)	410.66	+0.4	10.37	4.27	11.17	10.26	409.02	392.96	387.84	395.03	335.78	410.66	315.67	431.66	87.23
31 500 SHARE INDEX	156.87	+1.6	17.22	6.71	8.32	8.15	154.45	150.15	149.15	150.94	151.26	181.52	120.87	227.95	65.49
32 FINANCIAL GROUP (100)	109.83	+0.7	—	7.17	—	—	109.04	106.95	106.02	106.92	131.55	133.45	87.19	241.41	55.88
33 Banks (6)	153.78	-0.4	25.26	6.91	6.08	6.08	154.31	150.00	126.66	131.58	161.19	192.16	111.33	388.32	62.44
34 Discount Houses (10)	148.14	+1.5	—	9.41	—	—	145.69	142.49	146.03	147.85	166.55	198.57	97.72	293.13	81.40
35 Hire Purchase (5)	70.42	—	9.74	8.98	32.71	32.71	70.42	75.14	76.72	75.96	102.70	102.70	62.34	433.74	38.83
36 Insurance (Life) (10)	91.15	+2.4	—	8.30	—	—	88.98	88.58	88.54	88.42	115.78	120.68	80.55	314.51	44.88
37 Insurance (Composite) (7)	86.45	+1.5	—	8.60	—	—	85.08	84.39	83.58	[illegible]	108.18	115.75	80.83	165.74	43.96
38 Insurance Brokers (10)	254.03	+0.6	12.86	5.65	11.69	11.69	252.77	229.96	226.96	225.83	217.38	272.96	178.27	276.05	65.86
39 Merchant Banks (15)	61.79	-0.7	—	8.11	—	—	62.12	61.66	62.16	61.96	86.78	82.63	49.15	178.67	31.21
40 Property (31)	157.10	+0.7	3.40	4.09	29.94	28.63	156.13	158.41	132.96	132.66	162.58	194.57	95.95	357.40	56.01
41 Miscellaneous (6)	69.58	-1.1	19.52	12.59	7.85	7.88	70.33	70.50	68.90	67.57	77.60	91.98	55.37	303.18	33.29
42 Investment Trusts (50)	145.44	+0.4	3.70	5.32	27.91	27.91	144.84	141.11	141.70	142.50	166.84	154.55	115.09	245.78	71.63
43 ALL-SHARE INDEX (650)	145.11	+1.3	—	6.71	—	—	143.31	139.56	138.64	140.18	154.27	172.64	116.29	228.18	61.92
COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44 Rubbers (9)	483.40	-0.9	9.57	8.94	13.49	12.75	487.68	487.68	477.17	485.04	378.19	585.40	404.67	555.37	84.68
45 Teas (8)	152.04	—	31.93	9.31	4.12	3.99	152.04	151.70	151.70	151.70	118.22	142.45	117.99	142.45	59.72
46 Coppers (3)	144.15	+1.3	44.94	7.77	2.23	2.25	142.24	140.53	140.53	141.75	251.97	201.47	140.53	157.70	94.06
47 Mining Finance (11)	85.16	-0.2	10.97	3.67	10.01	9.93	85.34	85.50	86.02	85.96	111.15	119.77	77.55	119.80	66.31
48 Tins (5)	123.45	+2.7	11.46	9.00	11.42	13.26	120.24	119.83	119.80	119.65	86.61	126.56	86.76	162.98	64.85
49 Overseas Traders (13)	212.18	+0.4	17.33	6.50	7.91	7.89	211.30	206.91	205.70	208.11	214.08	254.72	179.41	254.72	97.57

FIXED INTEREST	Mon. Dec. 20 Index No.	Mon. Dec. 20 Yield %	Friday Dec. 17	Thurs. Dec. 16	Wed. Dec. 15	Tuesday Dec. 14	Monday Dec. 13	Friday Dec. 10	Thurs. Dec. 9	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1 Consols 2 1/2% yield	—	14.83	14.82	15.03	14.80	14.80	14.79	14.86	14.99	14.64				
2 20-yr. Govt. Stocks (6)	45.13	14.53	45.00	44.28	44.87	44.90	45.03	44.70	44.55	46.94	53.45	42.31	115.42	38.27
3 20-yr. Red. Deb. & Loans (15)	46.35	15.87	46.23	45.95	45.82	45.77	45.39	45.35	45.27	46.75	52.40	45.35	114.25	37.01
4 Investment Trust Prefs. (15)	44.27	—	44.27	44.27	44.23	44.16	44.18	44.20	42.83	[illegible]	[illegible]	43.09	115.43	34.45
5 Coml. and Indl. Prefs. (20)	61.91	14.59	62.15	61.97	62.10	61.76	61.34	61.02	60.99	63.78	71.60	59.02	113.42	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering (Heavy)	31/12/71	153.84	All Other	10/4/62	100.00
Engineering (General)	31/12/71	153.84			
Wines and Spirits	16/1/70	152.25			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	128.20			
Industrial Group	31/12/70	128.20			
Miscellaneous Financial	31/12/70	128.06			
Food Manufacturing	29/12/67	114.13			
Food Retailing	29/12/67	114.13			
Insurance Brokers	29/12/67	96.67			

† Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p. By post 20p.

A record of the indices, cost £20, is obtainable from FT Business Enterprises, 10, Bolt Court, London, EC4. It gives all groups and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

CONSTITUENT CHANGES: Cross Cash Register (Office Equipment) and Sheaf Steam (Shipping) have been replaced by AAH and AVP Industs. (Miscellaneous Unclassified). London City and Westcliff (Property) has been replaced by Willis Faber (Insurance Brokers).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	18	318	−2	402	236
BATs Defd.	25p	17	228	+3	228	183
Shell Transport	25p	15	442	+2	462	352
Beecham	25p	12	384	+4	390	289
P. & O. Defd.	£1	11	115	−1/2	119	87
Glaxo	30p	10	398	—	422	230
Boots	25p	9	117	+3	148	79
GEC	25p	9	168	+1	169	112
Tate & Lyle	£1	9	255	+3	295	192
Unilever	25p	9	428	+12	500	348
Barclays Bank	£1	8	232	—	350	190
GKN	£1	8	274	+2	380	203
Leslie & Godwin	10p	8	115	—	139	90
Coats Patons	25p	7	53	+1/2	70 1/2	41 1/2
Distillers	30p	7	119 1/2	−1 1/2	138	95 1/2

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 21	Jan. 11	Mar. 24	Apr. 5
Jan. 12	Jan. 24	Apr. 6	Apr. 20
Jan. 25	Feb. 7	Apr. 21	May 4

Calls were dealt in Atlantic Assets, ICI, Burmah Oil, Dunlop, Leslie and Godwin and P & O Deferred. Puts were done in BP, EMI, ICI and Hammerson, while doubles were arranged in Burmah Oil, ICI and Hammerson. Short-dated puts were dealt in ICI, EMI and Hammerson, while doubles were arranged in ICI and Hammerson.

Industrials							
		E.M.I.	18	"Mams"	7	Brit. Land	5 1/2
		Gen. Accident	17	Marks&Sp'ncer	8	Cap. Counties	5
A. Brew	5 1/2	Gen. Electric	17	Midland Bank	22	E.P.	8
A. P. Cement	15	Glaxo	35	Nat'lWestBank	20	Intereuropean	7
BSR	10	Grand Met.	7	"Do" Warrants	7 1/2	Land Securities	14
Babcock	8	G.U.S. 'A'	18	P & O Dfd	11	MEPC	7
Barclays Bank	22	Guardian	18	Plessey	7	Peachey	5
Berry Wiggins	6	G.K.N.	25	R.H.M.	6	Samuel Props.	4 1/2
Beecham	26	Hawker Sidd.	55	Rank Org 'A'	18	Town & City	1 1/2
Boots	12	House of Fraser	8	Reed Int'l	25		
Bowater	16	I.C.I.	22	Reyrolle	11	Oils	
B.A.T.	21	"Imps"	7	Spillers	4	Brit. Petroleum	50
BOC	5 1/2	I.C.L.	14	Tesco	4	Burmah Oil	4 1/2
Brown (J.)	9	Inveresk	7	Thorn 'A'	22	Shell	27
Burton 'A'	4 1/2	Legal & General	12	Trust Houses	9	Ultramar	14
Cadbury	5	Ladbroke	11	Tube Invest.	27		
Cavenham	10	Lex Service	3 3/4	Unilever	38	Mines	
Courtaulds	10	Lloyds Bank	22	Utd. Drapery	8	Charter Cons.	15
Debenhams	5	"Lots"	4	Vickers	15	Chart'rhall Fin	4
Distillers	13	London Brick	4 1/2	Woolworths	6	Cons. Gold	16
Dunlop	7 1/2	Lonrho	9			Rio T. Zinc	18
Eagle Star	11	Lucas Inds.	20	Property			

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (18)

BRITISH FUNDS (2)
Treas. 14pc 1982 Treas. 14 1/2pc 1994
BANKS (1)
Hongkong & Shanghai
BEERS (1)
Macallan Glenlivet
ENGINEERING (1)
Spear & Jackson
FOODS (1)
Assoc. Dairies
HOTELS (1)
Epicure
INDUSTRIALS (2)
Hutchison [illegible]
MOTORS (1)
Kwik-Fit
TOBACCOS (1)
BATs Dfd.
TRUSTS (2)
New Par[illegible]
RUBBERS (1)
Bertam C[illegible]
MINES (1)
St. Piran

NEW LOWS (2)

BANKS (1)
Slater W[illegible]
INDUSTRIALS (1)
Durapipe

RISES AND FALLS

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dominion and Foreign Bonds	20	2	74
Industrials	416	159	1,055
Financial and Prop.	206	27	317
Oils	8	4	23
Plantations	3	2	33
Mines	24	46	55
Recent Issues	9	3	17
Totals	736	255	1,589

CORAL INDEX. Close 339-344

BASE LENDING RATES

Bank	%
Allied Irish Banks Ltd.	14
American Express Bank	14
Anglo-Portuguese Bank	14
Henry Ansbacher	14
Banco de Bilbao	14
Bank of Credit & Cmce.	14
Bank of Cyprus	14
Bank of N.S.W.	14
Banque du Rhone S.A.	14
Barclays Bank	14
Barnett Christie Ltd.	15
Bear Securities Ltd.	14
Bremar Holdings Ltd.	14
Brit. Bank of Mid. East	14
■ Brown Shipley	14
Canada Permanent AFI	14
Capitol C & C Fin. Ltd.	14
Cayzer, Bowater Co. Ltd.	14
Cedar Holdings	14
■ Charterhouse Japhet	14
C. E. Coates	15
Consolidated Credits	14
Co-operative Bank	*14
Corinthian Securities	14
Credit Lyonnais	14
G. R. Dawes	15
Duncan Lawrie	14
Eagil Trust	14
English Transcont.	14
First London Secs.	14
First Nat. Fin. Corp.	16
First Nat. Secs. Ltd.	16
Goode Durrant Trust	14
■ Antony Gibbs	14
Greyhound Guaranty	14
Grindlays Bank	†14
■ Guinness Mahon	14
■ Hambros Bank	14
■ Hill Samuel	§14
C. Hoare & Co.	†14
Julian S. Hodge	15
Hongkong & Shanghai	14
Industrial Bank of Scot.	14
Keyser Ullmann	14
Knowsley & Co. Ltd.	15
Lloyds Bank	14
London & European	14
London Mercantile	14
Midland Bank	14
■ Samuel Montagu	14
■ Morgan Grenfell	14
National Westminster	14
Norwich General Trust	14
P. S. Refson & Co.	14
Rossminster Accept'cs.	14
Royal Bk. Canada Trust	14
Schlesinger Limited	14
E. S. Schwab	15
Security Trust Co. Ltd.	15
Shenley Trust	16
Standard Chartered	14
Trade Development Bk.	14
Twentieth Century Bk.	15
United Bank of Kuwait	14
Whiteaway Laidlaw	14
Williams & Glyn's	14
Yorkshire Bank	14

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month deposits 11 1/4%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11 1/4%, over £25,000 11 1/2%.
‡ Demand deposits 11%.
† Call deposits over £1,000 11%.

INSURANCE BASE RATES

	%
† Property Growth	14
Cannon Insurance	1[illegible]

† Address shown under Insurance and Property Bond table.

MONEY MARKET

Record official loans

Bank of England Minimum Lending Rate 14 1/4 per cent. (since December 17, 1976)

The monetary authorities lent a record amount overnight at Bank of England Minimum Lending Rate to ten or 11 discount houses, to relieve a severe shortage of day-to-day credit in the London money market yesterday. The total amount of assistance was exceptionally large and included very large purchases of Treasury bills from the houses and banks, plus small numbers of local authority bills and eligible bank bills.

Banks carried forward surplus balances from Friday, and Government disbursements exceeded revenue payments to the Exchequer. On the other hand there was a net market take-up of Treasury bills, a continuation of the pre-Christmas rise in the note circulation, and settlement of official sales of gilt-edged stock.

These factors alone would have left a small shortage, but by far the largest factor against the market was the repayment of the exceptionally large loans made by the authorities on Friday.

Discount houses paid 14 1/4-15 per cent. for secured call loans in the early part and closing balances were taken at 14-14 1/4 per cent.

In the interbank market overnight loans opened at 14 1/4-15 per cent., and ranged between 14 1/4 per cent. and 15 1/4 per cent., before falling to 14 per cent. in places at the close.

Rates in the table below are nominal in some cases.

Dec. 20 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	14-15 3/4	—	—	—	—	14-15	—	—	—
2 days notice	—	—	15 1/8-15 1/4	—	—	15	—	—	—	—
7 days or 7 days notice	—	14 7/8-15 1/8	15 1/4-15 3/8	—	—	—	—	—	—	—
One month	14 3/4-14 1/2	14 7/8-15 1/8	15-15 1/8	15 1/2-15	15 1/8-15 1/8	15	14 3/8-14 1/8	—	—	—
Two months	14 5/8-14 1/2	14 1/2-14 3/4	—	15 1/8-14 3/4	15 1/8-15 1/2	15 1/4	14 1/4-14 1/8	13 5/8-13 1/2	14 1/2-14 3/8	15-14 7/8
Three months	14 1/4-14 1/8	14 1/8-14 1/4	14 5/8-14 3/4	15 1/4-14 1/2	14 5/8-15 1/4	—	13 3/4-14 1/4	13 [illegible]	14 1/4-14 1/8	15-14 3/4
Six months	13 1/2-13 5/8	13 1/4-13 5/8	14 3/8-14 1/2	14 1/4-13 3/4	14 3/8-15	—	13 1/2-14	13 [illegible]	13 1/2-13 3/4	15-14 5/8
Nine months	13 1/2-13 3/8	13 1/2-13 1/2	—	14-13 1/2	14 5/8-14 3/4	—	—	—	13 5/8-13	15-14 5/8
One year	13 1/4-13 7/8	13 1/8-13 5/8	14 1/2-14 3/4	14-13 1/2	14 3/4	—	—	—	—	—
Two years	—	—	14 7/8-15	—	14 3/4	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 14 1/2-15 per cent.; four years 14 3/4-15 per cent.; five years 15-15 1/4 per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13 5/8-13 1/2 per cent.; four-month trade bills 14 3/4 per cent.

Approximate selling rate for one-month Treasury bills 13 1/2 per cent.; two-month 13 3/8 per cent.; and three-month 13 [illegible] per cent. Approximate selling rate for one-month bank bills 14 1/2-14 1/4 per cent.; two-month 14 1/4-14 per cent.; and three-month 13 7/8-13 3/4 per cent.; one-month trade bills 15 1/4 per cent.; two-month 15 per cent.; and also three-month 14 3/4 per cent.

Finance House Base Rates (published by the Finance Houses Association) 15 per cent. from December 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury Bills: Average tender rates of discount 13.7[illegible] per cent.

AUTHORISED UNIT TRUSTS

Bishopsgate Progressive Mgmt. Co.♥
9, Bishopsgate, E.C.2. 01-588 6280

B'gate Pr.* Dec 7	113.9	121.4xd	...	5.20
Acc. Units * Dec. 7	130.7	139.2	...	5.20
B'gat Int. Dec 14	125.7	134.5	...	3.64
Acm. Units Dec. 14	134.5	144.0	...	3.64

Next sub. day Dec. 14. *Dec. 21

Framlington Unit Mgt. Ltd. (a)
3-7, Ireland Yard, EC4B 5DH. 01-248 6971

Capital Tst.	54.0	57.4		6.27
Income Tst.	49.2	52.2xd		9.01
Int. Growth Fd	56.4	59.8		4.00
Do. Accum.	56.4	59.8		4.00

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts	26.3	28.1xd	+0.3	6.12
Do. Accum	32.4	34.6	+0.5	6.12

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

Warburg Invest. Mngt. Jrsy. Ltd.
1 Charing Cross, St. Helier, Jsy. CI 0534 29041

CMF Ltd. Nov. 25	$US9.65	9.90	...	—
CMT Ltd. Nov. 25	£9.22	9.46		—
Metals Tst. Dec 16	£12.24	12.54		—
TMT Dec 9	$US10.74	11.01		—
TMT Ltd. Dec 9	£10.82	11.10		—

World Wide Growth Management
10a Boulevard Royal, Luxembourg.

WorldWideGth.Fd.	$US12.92	-0.05	—

NOTES

Prices do not include $ premium, where applicable and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by ⊕. §Guernsey yield. ‡Suspended. ♦Single premium insurance bond. ♦Yield before Jersey tax.

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not dually listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
Albany Inv. 20p	16	...	Flagons Brew.	66		Cons. 9% '80/82	£88¼	
Ash Spinning	32	...	L.O.M. Stm. £1	140		Alliance Gas	47	-1
Bertam	21	...	Holt (Jos.) 25p	190	+10	Arnott	265xd	
Bdg'wtr. Est. 50p	126	...	Kleen-e-Ze	37	...	Carroll (P.J.)	95	
Clover Croft	23	...	Lovell's Ship £1	180		Clondalkin	32	...
Craig & Rose £1	350	...	N'thn Goldsmith	22	...	Concrete Prods	41	
Dyson (R. A.)	20	...	Pearce (C. H.)	55		Heiton (Hldgs.)	21	...
Ellis & McHdy	60	...	Peel Mills	11	...	Ind. News	37	...
Evans F'rk 10p	25	...	RobbCaledonSh.	46	...	Ins. Corp.	148½	
Evered	9	...	Sagers 12½p	15	...	Irish Distillers	38xd	-1½
Fife Forge	49	...	Sheffield Brick	65	...	Irish Ropes	93	
Finlay Pkg. 5p	16	...	Shelf. Refrshmt	140		Jacob	40	
Grang Ship £1	300	...	Shiloh Spinn	21	...	Sunbeam	11	
Higham Steich 10p	6	...	Sindall (Wm.)	49	...	T.M.G.	75	+3
						Unidare	44	

COMPANY NOTICES

RAND SELECTION CORPORATION LIMITED
(Incorporated in the Republic of South Africa)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual General Meeting of members of Rand Selection Corporation Limited will be held at 44 Main Street, Johannesburg, on Friday January 21 1977 at 15h00 for the following business:

1. To receive and consider the annual financial statements of the corporation and the group annual financial statements for the year ended September 30 1976.
2. To elect directors in accordance with the provisions of the corporation's articles of association.
3. To consider and, if deemed fit, to pass with or without modification, the following resolution as an ordinary resolution:
   that the directors be and they are hereby authorised:
   (i) To allot and issue all or any portion of 4 523 897 unissued ordinary shares of 50 cents each in the capital of the corporation, at such time or times, to such person or persons, company or companies, and upon such terms and conditions as they may determine.
   (ii) to make arrangements on such terms and conditions as they may deem fit for the subscription by underwriters of
   (a) Any shares in the corporation offered by way of rights issues but not taken up by the persons entitled thereto, and
   (b) Any shares resulting from the consolidation of any fractional entitlements in respect of any shares issued in pursuance of a rights issue, provided that any such shares which can be sold on the Johannesburg and/or London Stock Exchanges at a net price in excess of the issue price, may be sold by the underwriters and any excess of the net proceeds of sale over the issue price shall be paid to the corporation.

The TRANSFER REGISTERS and REGISTERS of members of the corporation will be CLOSED from January 15 to January 21 1977, both days inclusive.

Holders of share warrants to bearer who wish to attend the meeting in person or by proxy must comply with the regulations of the corporation under which share warrants to bearer are issued.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his stead. A proxy need not be a member of the Corporation.

NOTICE TO MEMBERS OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a general meeting of members of Rand Selection Corporation Limited will be held at 44 Main Street, Johannesburg, on Friday January 21 1977 at 15h15, for immediately after the conclusion of the annual general meeting which has been convened for 15h00 on the aforesaid date, whichever is the later time) for the following business:

To consider and, if deemed fit, to pass with or without modification, the following special resolutions:

SPECIAL RESOLUTION NO. 1
That the articles of association of the corporation are hereby amended by the deletion of the existing article 93 and the substitution therefor of the following new article:
"93 (1) The directors including the Chairman, shall in each year be paid out of the funds of the company by way of remuneration for their services a sum of four thousand rand (R4 000) each to be paid in quarterly instalments.
(2) In addition to the remuneration stated in sub-clause (1), the Chairman of the board of directors shall in each year be paid a sum of nine thousand rand (R9 000) out of the funds of the company by way of special remuneration for his services.
(3) If a director holds office for part of a year he shall be entitled to part of the remuneration stated in sub-clause (1), and in sub-clause (2) if applicable, calculated proportionately to the length of time he has held office during the year."

SPECIAL RESOLUTION NO. 2
That subject to confirmation by the Supreme Court, the corporation's share premium account amounting to the sum of R216 414 588.01, is hereby eliminated and that such sum be transferred to the corporation's capital reserve account;
that application be made to the Supreme Court (Witwatersrand Local Division) for confirmation of the aforesaid elimination of the corporation's share premium account and that any one of the corporation's directors is hereby authorised to take the necessary action and to sign all documents which will be required for that purpose."

REASONS FOR AND THE EFFECTS OF THE SPECIAL RESOLUTIONS

The directors' fees were last increased in 1964, since when the value of money has been considerably eroded by inflation and the business of the corporation has increased in scope and complexity requiring more time and effort on the part of the directors. The effect of proposed Special Resolution No. 1 will be to increase annual aggregate directors' fees from R50 500 to R73 000.

Annual duty payable by the corporation in terms of Section 174 of the Companies Act, 1973, as amended, is calculated at the rate of two rand and fifty cents for each ten thousand rand or part thereof, of the corporation's issued share capital plus its share premium account. Proposed Special Resolution No. 2 is designed to eliminate the share premium account and to transfer the amount thereof to capital reserve thereby reducing the corporation's liability for annual duty by R54 105 a year. This step is a reduction of capital in terms of the Companies Act and requires confirmation by the Supreme Court. Application will therefore be made to the Court within sixty days of the passing of Special Resolution No. 2.

The TRANSFER REGISTERS and REGISTERS of members of the corporation will be CLOSED from January 15 to January 21 1977, both days inclusive.

A member entitled to attend and vote at the meeting may appoint a proxy or proxies to attend, speak and vote in his stead. A proxy need not be a member of the corporation.

A form of proxy to enable members to vote for or against the special resolutions or to abstain from voting is enclosed. Completion of a form of proxy will not preclude a member from attending the meeting.

Holders of share warrants to bearer who wish to attend the meeting in person or by proxy must comply with the corporation's regulations under which share warrants to bearer are issued.

By order of the board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries
per P. J. EUSTACE
Senior Divisional Secretary

London Office
40 Holborn Viaduct,
EC1P 1AJ.
20th December 1976.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 45¼% (based on US$1.6813 per £)

Conversion factor 0.6692 (0.6672)

CANADIANS

S.E. List Premium 45¼% (based on $1.6964 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
49	35	Highlands M50c	42½	+½	‡1.45	1.1	‡
48	33½	Kuala Kepong M$1	40½	......	†Q10c	1.2	6.1
34	22½	Kulim 50c	26xd	......	†Q23%	0.8	9.9
72	40½	Ldn. Asiatic 10p	53xd	......	♦†2.3	2.3	6.7
43½	30	Ldn. Sumatra	43½	......	1.21	2.7	4.3
40	31	Malakoff M$1	35	......	ZQ5%	—	—
10½	6	Malayalam 10p	10	......	1.46	1.2	22.5
52½	42	Muar River 10p	49½	......	1.55	1.2	4.8
69	39	Patalīng 10p	51	......	♦†2.23	1.5	6.7
38	32	Plantation Hldgs. 10p	33½	......	†1.77	1.5	8.1
£10½	900	Sungei Krian £1	£10¼	......	32.31	1.7	4.9

TEAS

India and Bangladesh

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
126	90	Assam Dooars £1	126	......	8.51	2.7	10.4
162	90	Assam Frontier £1	146	......	7.86	ϕ	8.3
51	42½	Assam Invs. £1	48	......	3.3	3.0	10.6
160	95	British Indian £1	160xd	......	5.0	2.6	4.8
6½	3¾	Empire Plants 10p	6½	......	0.65	2.3	16.7
135	113	Jokai £1	122xd	......	7.86	ϕ	9.9
91	65	Longbourne £1	86	......	3.85	4.5	6.9
175	115	McLeod Russell £1	115	......	6.46	3.9	8.6
140	95	Moran £1	126	......	9.0	ϕ	11.5
10	5¾	Singlo Hldgs. 10p	9	......	0.78	1.8	15.0
101	74	Warren Plants	96	......	17.8	3.1	12.5
83	66	Williamson £1	77	......	4.95	3.1	9.9

Sri Lanka

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
59	40	Lunuva £1	59	......	3.25	0.9	8.5

Africa

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
190	170	Blantyre £1	190	......	15.27	1.7	12.4
48	32	Purbeck Grp.	40	......	g3.48	1.9	13.4
46	36½	Ruo Estates	46	......	4.22	ϕ	14.1

MINES

CENTRAL RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
600	150	Durban Deep R1	315	−20	‡Q20c	5.5	‡
510	170	East Rand Prp. R1	255	−10	‡Q35c	5.1	‡
£24½	935	Randfont'n Est. R2	£22¼xd	......	Q200c	ϕ	6.5
350	75	West Rand R1	130xd	−5	Q10c	ϕ	5.6

EASTERN RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
200	65	Bracken R1	84	−4	Q25c	1.5	21.5
40	8	East Dagga R1	11	......	—	—	—
—	—	Govnmt. Areas 5c	140p	......	—	—	—
128	30	Grootvlei 30c	73	−4	Q8c	ϕ	‡
530	140	Kinross R1	220	−10	Q32c	2.2	10.5
67	24	Leslie 70c	35	−1	Q9c	1.7	18.6
230	30	Marievale R0.50	74	−2	Q20c	ϕ	‡
*148	40	S. African Ld. 35c	44	......	Q2½	ϕ	‡
105	28	Vlakfontein R1	40	−2	‡Q20c	1.2	‡
885	290	Winkelhaak R0	405	−25	Q76c	1.3	13.6
50	13	Wit. Nigel 25c	23	......	—	—	—

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	330	+5	‡Q75c	1.6	‡
£14	440	Buffels R1	600xd	−20	‡Q125c	1.6	‡
*140	70	Deelkraal R0.20	78	+2	—	—	—
760	125	Doornfontein R1	195	−20	‡Q55c	2.2	‡
965	330	East Drie R1	570	+15	‡Q75c	1.7	‡
280	122	Elandsrand Gld. 20c	150	−5	—	—	
190	44	Elsburg R1	78xd	+1	Q9¾c	ϕ	‡
£16½	520	Hartebeest R1	900	−37	‡Q190c	1.3	‡
695	260	Kloof Gold R1	325	−15	‡Q47c	1.5	‡
760	140	Libanon R1	275	+10	‡Q80c	2.0	‡
740	230	Southvaal 50c	325	−25	Q6c	ϕ	1.3
245	92	Stilfontein 50c	135xd	−2	Q22c	ϕ	‡
£20¾	700	Vaal Reefs 50c	950	+13	Q110c	ϕ	‡
420	48	Venterspost R1	130	−5	Q25c	3.6	13.9
£35	£11¼	W. Drie R1	£18¾	+⅜	‡Q335c	1.5	‡
315	68	Western Areas R1	127xd	+2	‡Q52c	1.4	‡
£15¼	480	Western Deep R2	720	+5	Q90c	ϕ	‡
290	100	Zandpan R1	165	−5	‡Q31¼c	1.0	‡

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	110	......	Q9c	0.6	5.9
£22½	715	F.S. Geduld 50c	£10¼	......	Q200c	ϕ	14.1
200	50	F.S. Saaiplaas R1	80	......	6c	2.6	5.4
465	170	Harmony 50c	275	−10	‡Q65c	1.9	‡
195	38	Loraine R1	73	−1	Q6c	0.5	5.9
£18½	600	Pres. Brand 50c	850	+13	Q170c	ϕ	14.5
£13	395	Pres. Steyn 50c	590	+5	Q45c	ϕ	5.5
£23⅛	750	St. Helena R1	£10½	+¼	Q170c	2.1	11.7
174	70	Unisel	126	−1	—	—	—
330	125	Welkom 50c	130	−10	Q15c	ϕ	8.3
£25½	950	W. Holdings 50c	£13⅞	−⅜	Q310c	ϕ	16.8

FINANCE

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
535	315	Ang. Am. Coal 50c	425	−15	MQ38c	2.8	6.5
375	185	Ang. Amer. 10c	230	−5	Q33c	1.9	10.4
£28⅞	£10½	Ang. Am. Gold R1	£14¼	−¼	‡Q260c	1.3	‡
£13¼	800	Ang-Vaal 50c	825		Q105c	3.3	9.3
199	101	Charter Cons.	127	......	†6.76	2.4	8.2
220	113	Cons. Gold Fields	154	−2	7.37	2.1	7.4
23½	13	East Rand Con. 10p	15½	......	1.0	2.2	9.9
330	150	Geduld Inv. R1	240	......	Q40c	1.5	12.1
£25	£12¾	Gen. Mining R2	£13	......	Q210c	2.1	11.7
£20⅝	10	Gold Fields S.A. 25c	£11⅞	......	Q155c	1.2	9.9
£24	£11½	Jo'burg Cons. R2	£13¾	......	Q170c	2.2	9.0
380	195	Middle Wit 25c	210	......	‡Q35c	1.2	‡
250	154	Minorco SBD1.40	155	−1	Q2c	0.7	0.8
160	56	New Wit 50c	88	......	Q18c	1.0	14.8
£14⅝	770	Patino NV Fls 5	£12⅛	−⅛	QC65c	0.8	3.5
810	310	Rand Selection 50c	365	+10	Q65c	ϕ	‡
543	355	Selection Trust	445	+5	15.2	1.5	5.3
230	98	Sentrust 10c	128xd	−2	‡Q30c	1.4	‡
66	29½	Silvermines 2½p	33	......	3.0	1.6	14.0
£12½	700	T'vaal Cons. Ld. R1	925	−25	Q75c	2.4	5.9
310	110	U.C. Invest R1	145	−5	‡Q36c	1.0	‡
465	175	Union Corpn. 6.25c	215	......	†Q36c	1.4	12.1
90	45	Vogels 2½c	67	+2	†Q6½c	1.2	7.0

DIAMOND AND PLATINUM

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
£32½	£17½	Anglo-Am. Inv. 50c	£19½	−¼	†Q244c	1.6	9.0
122	66	Bishopsgate Plt. 10c	70	......	†Q8c	ϕ	8.3
335	182	De Beers Df. 5c	191	......	Q28c	2.2	10.6
£24	850	Do. 40pc Pf. R5	850xd	......	Q200c	128.0	17.0
128	68	Lydenburg 12½c	69	......	Q7.2c	ϕ	7.5
123	92	Rus. Plat. 10c	95	......	Q10c	3.2	7.8

CENTRAL AFRICAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
165	52	Coronation 25c	54	......	Q5c	ϕ	‡
130	68	Falcon Rh. 50c	100	......	Q35c	ϕ	—
25	9	Rhod'n Corp. 16⅔p	13	......	0.56	6.0	6.6
195	120	Roan Cons. K4	150	+5	—	—	—
178	140	Tanganyika 50p	152	......	Q10.0	0.8	6.6
70	65	Do. Pref. 80p	70	......	Q9	10.2	10.3
54	25	Wankie Col. Rh.1	37	......	Q7½c	1.5	—
46	15	Zam. Cpr. SBD0.24	15	......	—	—	—

AUSTRALIAN

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
33	17	Acmex 25c	18		—	—	—
323	132	A. M. and S. 50c	232		♦†Q7c	1.5	1.9
165	96	Bougainville 50 Toea	117	−1	Q10c	ϕ	5.4
235	100	BH South 50c	108	−2	—	—	—
75	3	G.M. Kalgoorlie $1	22	..	—	—	—
106	58	Hampton Areas 5p	78	..	1.3	5.0	2.6
86	27	Metals Ex. 50c	34		—	—	—
24	12	Metramar 20c	19		—	—	—
294	184	M.I.M. Hldgs. 50c	218	−1	Q4½c	1.8	1.3
105	25	Mount Lyell 25c	30		—	—	—
3	2	Newmetal 10c	2		—	—	—
113	69	North B. Hill 50c	94	−2	Q9c	1.3	5.9
9	5	Nth. Kalgurli	6		—	—	—
112	65	Oakbridge SA1	89	−2	Q9c	1.5	6.4
36	14	Pacific Copper 25c	22	..	—	—	—
£19½	675	Pancont'l 25c	725	......	—	—	—
17	9	Paringa M&Ex. 5p	9		—	—	—
492	310	Peko-Wallsend 50c	375	−5	Q15c	ϕ	2.5
300	60	Poseidon 20c	75#		—	—	—
13	6	Vultan Min. 50c	8		—	—	—
9	4	Westmex 10c	5		—	—	—
*199	127	West'n. Mining 50c	144	−3	Q5c	1.3	2.1
105	36	Whim Creek 20c	105	+35	—	—	—

TINS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
45	28	Amal. Nigeria	30	......	0.93	0.9	4.8
365	160	Ayer Hitam $M1	365	......	23.0	1.4	9.7
32½	17	Beralt Tin	25	......	24.0	2.8	24.6
415	315	Berjuntai $M25	400	+5	†QM1.5	ϕ	10.2
265	155	Geevor	240	......	5.0	—	3.2
14	6	Gold & Base 12½p	9	......	—	—	—
250	170	Gopeng Cons.	225	......	†11.0	1.3	7.5
80	64	Hongkong	75	......	—	—	—
70	56	Idris 10p	61	......	7.15	1.5	19.0
7½	6	Jantar 12½p	7	......	—	—	—
42	31	Kamunting 15p	34	......	‡7.0	1.2	‡
280	135	Killinghall	260	......	Q50.0	ϕ	19.2
240	168	Malay Dredging	213	+6	11.0	1.1	7.9
38	20	♦Pahang	27#	......	Q2.5	ϕ	‡
55	40	Pengkalen 10p	50	......	‡7.0	1.5	‡
135	104	Petaling $M1	133	......	Q12½c	—	2.3
63	19	Saint Piran	63	+6	†1.25	2.5	3.1
100	64	South Kinta (10p)	75	+3	7.5	0.6	15.4
200	105	Sthn. Malayan	175	+2	11.8	1.1	10.4
55	31	Sungei Besi $M1	55	......	—	—	—
44	29	Sungei Way $M1	44	......	ZQ10	—	5.6
48	40	Tanjong 15p	40	......	4.64	0.9	17.8
52	40	Tongkah Hrbr. $M1	45	......	QL6.9%	0.3	‡
110	58	Tronoh $M1	110	+1	†4.29	2.0	6.0

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST R2	40	......	—	—	—
335	140	Messina R0.50	140xd	......	Q45c	2.8	23.2

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	......	0.1	ϕ	1.8
35½	15½	Charterhall 5p	20	−½	—	—	—
990	550	Cons. Murch. 10c	610	+10	Q140c	ϕ	17.9
440	245	Northgate C$1	380	−10	—	—	—
239	132	R.T.Z.	175	−3	g5.96	2.1	5.2
112	55	Sabina Inds. C$1	64	−2	—	—	—
£15⅞	£10	Tara Exptn. $1	£12½	+⅛	—	—	—
45	32½	Tehidy Minerals 10p	38	......	†h1.08	ϕ	4.4
145	84	Yukon Cons. C$1	127	+2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent, or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited
- †† Unlisted security
- # Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¥ Excluding a final dividend declaration.
- ÷ Regional price
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Tuesday December 21 1976

Nearly 4m. settle within Stage Two

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A TOTAL of nearly 4m. workers have settled within the limits of the second stage of the pay policy since it came into force at the end of July. At a time when the rate of inflation has been rising this suggests that real personal disposable income is likely to fall more rapidly next year than in the past.

The total was disclosed yesterday by the Department of Employment as it announced a further fall in the year-on-year rate of increase in wages.

The settlements so far agreed are equivalent to about a quarter of those expected to be covered by major agreements in the course of a full year's wage round.

The Department says there have been no breaches of the policy to date, so that even after allowing for overtime, regrading, drift, and any slippage, the rate of rise in average earnings in the year to next July is likely to be significantly lower than the rate of increase in the cost of living.

The recent Bank of England quarterly bulletin, for example, projected a rise in earnings of around 7 to 8 per cent. (and other estimates are at most only a point or two higher). Meanwhile the rise in retail prices is unlikely to fall below 14 per cent. in 1976-77, and could be higher, given the Treasury forecasts of a 15 per cent. increase in the 12 months to the fourth quarter of 1977.

Consequently even after making a further adjustment for social security payments and tax, these figures suggest that real personal disposable income will fall sharply next year, possibly by as much as 3 to 4 per cent.

The decline in disposable income has been much more gentle up till now, and indeed there was a rise of almost 2 per cent. in the third quarter of this year as a result of the tax rebates.

Guide

The sharper fall in disposable income forecast for next year also explains why consumer spending is officially projected to drop by 2 per cent. next year compared with 1976 despite the probable assumption of a decline in the savings ratio.

The current position is not wholly clear since, for the second month running the earnings index has not been published because of an industrial dispute in hte Department of Employment: the latest figures refer to August.

The earnings index is regarded as a better guide to the under lying trend than the wages figures which refer solely to basic rates, thus excluding overtime, and only cover manual workers.

The index of weekly wage rates rose by 12.8 per cent. to 219.3 (July 1972=100) in the year to November. This compares with a 17.1 per cent. increase in the 12 months to October, but the change has been exaggerated by distortions to the figures.

This is because about 2m. engineering workers, who received a big second stage increase under their national *settlement in November 1975*, have not yet settled, so the figures are not strictly comparable.

The index at the end of October was 218.2, and the ½ per cent. rise between the two months principally reflects settlements for workers in the baking and retail food sectors and in local authority services.

The wages index has only risen by ¾ per cent. since the end of July, but this is because few major settlements for manual workers come into effect in the autumn—most come between now and April—and even those which have been agreed recently come into operation later.

The total of nearly 4m. workers who have settled within the pay policy includes 1.15m. local authority manual workers, 94,000 local authority electrical and building workers, 208,000 National Health ancillary staff, 160,000 postal workers, 132,000 in the multiple grocery trade, 350,000 motor vehicle retail and repair men, and 256,000 covered by the agricultural wages Board.

Editorial comment Page 14

Vauxhall likely to agree deal on lay-off pay

BY ROY ROGERS, LABOUR CORRESPONDENT

VAUXHALL MOTORS is on the verge of conceding a lay-off pay agreement for its 21,000 workers which could have important implications for other British motor manufacturers.

Improving lay-off pay has been one of the main union aims over the past year or so. In the main, however, only minor alterations have been negotiated, even though there are no restrictions on lay-off pay improvements under the present wages policy.

Now Vauxhall and its unions have agreed in principle that men made idle by external industrial disputes should receive full basic pay subject to a maximum of 160 hours (20 working days) a year.

A further restriction is that payment would be limited to 40 hours (five days) a quarter. Any of this entitlement not taken up could be held over until the next quarter, but no more than 80 hours (10 days) would be paid in any one quarter.

Vauxhall's present agreement allows for 70 per cent. of basic pay for a maximum of 25 days a year for workers made idle because of external disputes.

The proposed new agreement comes after a similar deal earlier this month covering about 8,000 workers employed by AC-Delco which, like Vauxhall, is a subsidiary of General Motors of the U.S.

These developments are certain to increase pressure on other motor manufacturers to improve their lay-off pay arrangements. Ford recently made minor improvements to its scheme, which now gives 80 per cent. of basic rate for 20 days a year for externally caused lay-offs.

It also set up a joint subcommittee with the trade unions to study extending coverage to times when workers are made idle by disputes at other Ford plants.

Chrysler already guarantees 65 per cent. of pay for workers laid-off by dispute at other Chrysler plants in the U.K. and 70 per cent. for those made idle because of outside troubles.

British Leyland's manual workers receive lay-off pay when affected by disputes at other Leyland plants or caused by external issues.

In common with most manufacturers, these payments, which vary from plant to plant, are not made when men are idle because of industrial action within their own plant.

Union negotiators can be relied on to try to match the Vauxhall proposals when annual pay and conditions negotiations fall due.

THE LEX COLUMN

Minority deal for Hanson

It is some nine months since Mr. Gordon White emerged in documents published in the U.S. as an important minority shareholder in Hanson Trust's overseas holding company, and he is now introduced to shareholders of the parent company along with proposals to buy out his 10 per cent. stake for an as yet unspecified sum.

Mr. White's success has been considerable. Some 2½ years ago he purchased the stake for Fls.1.1m. of which just 0.1 per cent. (or £265 at the current exchange rate) is at present paid up. In the current year U.S. profits are forecast to represent more than 60 per cent. of the group total, which in turn are expected to be well up on the £19.2m. pre-tax of 1975-76. The book value of the White family interest was £1.6m. as at last September 30, although of course Mr. White will have to settle the outstanding £265,000 consideration at the time of any deal. Hanson hopes to retain Mr. White on a consultancy basis; he is currently studying take-over possibilities in Europe.

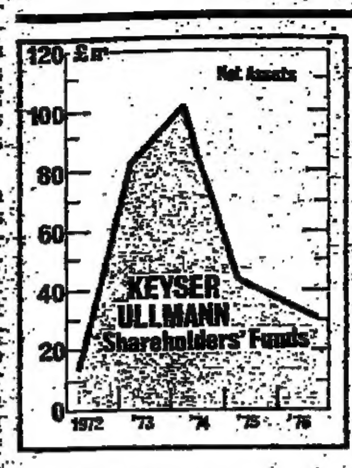
The original understanding was for the relationship to run for up to five years, leading to a U.S. flotation (which now seems to have been dropped). But there was a potential conflict of interest in that the expansion of the overseas operation has been financed by debt partly secured on, or guaranteed by, the parent company.

The impact of the U.S. acquisitions has been spectacular, but only over a very short period mostly covering an economic upturn, and some evidence that the U.S. operations have staying power would be welcome before any settlement is reached, even though it might be more expensive for Hanson to wait. This kind of prudence could help Hanson to achieve a stock market rating more in line with its excellent record. As things stand, the status of the shares may not be helped, especially as the report discloses that five out of eight directors have been significant sellers over the past year.

Keyser Ullmann

Keyser Ullmann's capital base continues to contract. The impact of rising interest rates on property values over the last few months has produced a further provision of £6m. in the latest half-year, mostly against loans on office properties of one kind or another. That represents only about 7 per cent. of the written down value of KU's property loans—but it is enough to knock net worth by a full 17 per cent. to £30.4m.

Index rose 1.5 to 341.0



Higher interest rates have also killed the hoped-for disposal of the housebuilding companies, and delayed the property disposal programme by a month or two. In the summer, the hope was that the written down value of doubtful debts would have been reduced to about £30m. or £35m. by the Spring of 1978—a figure which has now risen by about £5m.

At the same time, money costs have risen by about 3 points from an average of 10½ per cent. during the six months to September; and although KU climbed out of the life boat in the summer, it is still using £14m. or £15m. of expensive money under its special standby arrangements. At current interest rates, interim profits of £573,000 before provisions would probably be wiped out over the rest of the year.

This catalogue of gloom cut the shares 2p to 18p and a market capitalisation of £9½m. yesterday. But the statement ends on a brighter note. Property sales and other receipts of perhaps £26m. this year are expected to exceed cash outgoings by around £18m., and net cash receipts are scheduled to rise by a third in 1977-78. By March, sales and lettings now in hand should have increased the annual rate of income by over £1½m., and even at current interest rates the group could hope to be clawing back to break-even next year—and that without drawing on prior year financial provisions, which have reduced the latest losses by £2m.

Graff Diamonds

Graff Diamonds is tying itself in knots over its profits performance. The company's chairman, Mr. Laurence Graff, is seeking to buy back for 28p shares which were originally sold to the public by him for 57p each in 1973. So the document in connection with the scheme of arrangement goes to some lengths to insist that an upsurge in profits—from £478,000 pre-tax last year to £620,000 in just the first five months this time—is freakish. The trouble is that Mr. Graff has no more money in the kitty regardless of who accepts or how badly the company performs. Hambros Bank, which floated Graff, still advises outside shareholders to accept. And it turns out that several investment and unit trusts which are to accept in respect of 800,000 (39 per cent. of the relevant shares) are managed by Hambros. In 1973 420,000 shares were left with the underwriters.

Illingworth Morris

Profits are recovering sharply at Illingworth Morris with the half-year total almost doubled to £1.43m. pre-tax, and our projections for the year (to March) now start at around £3½m., against £0.8m. last time and the £4.9m. peak of 1973. There were provisions of ... in 1974-75 and weaving is now out of the red having lost ... in the second half of last year. So helped by good demand in overseas earnings per share could conceivably emerge at around 4½p and provide enough scope for an increase in the dividend (the historic yield is 11 per cent. and uncovered).

But net overdrafts are around the £24m. mark, financing costs currently account for 52 per cent. of profits before interest and even in its best years Illingworth was hard put to generate much more than £3m. of depreciation and retentions. At 18p the shares are a quarter below par value, and the future of the Ostrer family shareholdings has still to be resolved.

Guerillas guilty of mass murder, say Rhodesians

BY OUR FOREIGN STAFF

AFRICAN nationalist guerillas were yesterday accused of massacring at least 26 black tea estate workers on a plantation near Rhodesia's eastern border with Mozambique.

A Rhodesian security force communiqué issued in Salisbury said guerillas had abducted a number of workers, their wives, and children from the plantation on Sunday.

The men had been forced to walk to a neighbouring tea estate and then told to lie down. The guerillas opened fire with automatic weapons killing at least 26 and injuring seven. Some workers from the estate were still missing, the communiqué added. Unofficial reports said 27 labourers had been killed.

Some reports said the incident took place in the Inyanga mountains, north of Umtali, and others that it took place near Melsetter, to the south. Last week 70 guerillas and eight Rhodesian soldiers were reported killed in a series of running battles in the Umtali area.

Rhodesia has accused nationalist guerillas of making a series of similar attacks, including the murder of three Roman Catholic missionaries earlier this month, but Bishop Abel Muzorewa, leader of the United African National Council, blamed that incident on the Selous Scouts, a crack Rhodesian anti-insurgency unit.

In **Gaborone**, the Botswana Government yesterday said its Mobile Police Unit had exchanged fire for the first time with Rhodesian troops who had crossed into Botswana territory.

The Secretary in the President's Office, Mr. P. L. Steenkamp, said the 20-minute gun battle had taken place near Francistown, a few miles from the border with Rhodesia, early on Saturday. A Botswana policeman was wounded in the leg.

Mr. Steenkamp said the clash had taken place near a police barracks on the outskirts of Francistown. A "refugee transit camp" for supporters of Bishop Muzorewa's ANC lies near the compound but Mr. Steenkamp said the police base appeared to have been the Rhodesians' target.

In **Salisbury**, a Rhodesia Government official denied that a clash had taken place. He said it was a fact that nationalist guerillas had been operating from Botswana and the Gaborone government could help reduce tensions in the arae by expelling these "terrorists."

Botswana plans to lay evidence of alleged border violations by the Rhodesian security forces before the UN Security Council and the Foreign Minister, Mr. Archie Mogwe is likely to fly to New York this week to lodge a protest.

At the **United Nations**, the General Assembly yesterday called for wider economic sanctions against Rhodesia and asked the Security Council to meet urgently to consider the matter. The resolution also condemned the continued importation of Rhodesian chrome and nickel by the U.S. in violation of existing sanctions orders.

In **Lusaka**, President Kaunda's special assistant, Mr. Mark Chona, has announced that the Zambian Government has cut all ties with Bishop Muzorewa's nationalist faction.

Mr. Chona said the move was taken because the bishop had accused Zambia of conspiring with Britain to instal one of his nationalist rivals, Mr. Joshua Nkomo, as Prime Minister during Rhodesia's transition to independence.

BR appointments end two-tier structure

FINANCIAL TIMES REPORTER

FOUR SENIOR railway executives and a new part-time member are to be appointed to teh Board of British Rail next month in a major re-constitution of the Board's role.

The present two-tier structure, set up in 1969 in which the Board concentarted on policy making and longer-term direction while responsibility for day-to-day management was delegated to a railways management group and subsidiary Boards for the railways' ancilliary activities, will disappear.

Instead, the direction and the management of the main railway business are to be fused in a single Board containing a large full-time executive element.

The changes, which are intended to tighten lines of command and communication within British Rail, were announced last night by Mr. William Rodgers; the Secretary for Transport, but they clearly bear the hallmark of Mr. Peter Parker who took over as BR chairman in September.

They were foreshadowed by the promotion of Mr. David Bowick, chief executive (railways) to the main Board soon after Mr. Parker's appointment was announced. Mr. Bowick, who remains railway chief executive, will become one of BR's two vice-chairman on January 10, when the other changes take effect.

Subtle

Two of the new full-time Board members are BR regional general managers. They are Mr. R. B. Reid of Southern Region who is to become Board member for marketing; and Mr. J. G. Urqhart, at present at London Midland region, who will be responsible for rail operations.

The new part-time member is to be Mr. Michael Posner, until October the Treasury's deputy chief economic adviser and now a reader in economics at Cambridge University.

The changes, which may be followed by others in BR's top management, were seen by some railwaymen last night as indicating a subtle change in the position of the regional general managers. They are at present members, as are the heads of the main functional departments at BR headquarters, of the railways management group under the chairmanship of the railways chief executive.

This group will in effect be reconstituted as an executive of the main Board with much the same membership, but some of its functional members will now be on the Board while others—like the heads of the five regions—will remain chief managers.

For example, engineering and research, personnel, marketing, and operations will all now be Board posts, but the new chief passenger and freight managers—posts at present given executive director status—will in future report to Mr. Reid, the Board member for marketing.

The new organisation is not intended to pre-empt any changes which may eventually result from the work of the Bullock committee on industrial democracy and the Mackintosh committee on the relationships between the nationalised industries and the Government.

Mr. Parker explained last night that these wider inquires may take a considerable time to mature, whereas changes within BR's own organisation are needed now.

He also said that the present re-organisation had been fully discussed with the railway unions and that, while consideration had been given to the appointment of a trade unionist to the BR board, the best way of meeting the pressure for a greater measure of industrial democracy may be through the present joint consultative machinery.

Last night's changes throw further light on the present anomalous position on the pay of Board members of the nationalised industries. Two of the new full-time members of the BR Board are at present paid more than the current scale for Board members. The Government has, however, agreed that they will not be asked to accept a pay cut.

Plan to reorganise State shipyards

BY JOHN WYLES, SHIPPING CORRESPONDENT

AN INTERIM plan for shipbuilding based on a reorganisation of the existing State-owned yards and the creation of a new management team to boost the entire industry's marketing effort is being considered by the Government.

This emerged yesterday at a tripartite meeting called by Mr. Eric Varley, Industry Secretary, to discuss the grim prospects facing merchant shipyards.

They were outlined in a working party report prepared by Departmental representatives, members of the Confederation of Shipbuilding and Engineering Unions, and of the organising committee of British Shipbuilders.

The discussion acknowledged that the nationalisation Bill may still be a distant prospect because of delays imposed by the Lords and that unless some measures were urgently taken, British yards may bear the full brunt of the world crisis of too many yards chasing too few new orders.

However, despite the imminence of redundancies at a number of yards, confederation leaders were said to have taken a moderate line at the meeting which will reconvene during the first week of January.

Union leaders took some comfort from Mr. Varley's announcement that he and Mr. Edmund Dell, Trade Secretary, would shortly be meeting representatives of the shipping industry to urge a more emphatic "Buy British" policy.

Mr. Gerald Kaufman, Industry Minister, would tour the EEC countries in the New Year to discuss the shipbuilding crisis with his counterparts in Common Market Governments.

Mr. Varley is believed to have indicated that an interim plan entailing the creation of a State holding company would be among the proposals he would wish to discuss at the next meeting.

This is a contingency plan developed by the Government earlier this year when its nationalisation Bill first appeared to be in jeopardy.

Details are still rather obscure but it is thought to involve grouping Govan Shipbuilders and Sunderland Shipbuilders, both wholly Government-owned, together with Cammell Laird Shipbuilders, which is 50 per cent., State-owned, under a new management team.

Apart from developing short-term planning for these companies the holding company would, with representatives of the private sector, undertake an extensive marketing effort on behalf of the entire industry.

Authority

Such a management unit would have the legal authority and backing which the British Shipbuilders' organising committee lacks.

In particular, it would be in a position to exploit the kind of government-to-government arrangements which resulted last week in Poland undertaking to build 22 ships worth £130m. in Britain.

Lastly, development of such a plan would help fill the vacuum created by the resignation of the British Shipbuilders' chief executive-designate Mr. J. Graham Day, whose departure in the New Year is expected to be followed by four of his full-time colleagues on the organising committee.

The next tripartite meeting is likely to discuss in the context of this plan some general recommendations for action suggested by the working party report.

These include greater cash incentives to shipowners and more support for British shipyards from nationalised industries with shipping involvements, notably British Rail and British Steel.

Massey deal with Egypt

By Our Industrial Staff

MASSEY-FERGUSON has signed a collaboration agreement with the Egyptian authorities to form a joint company to manufacture tractors and diesel engines.

It is envisaged that Massey-Ferguson will hold up to 40 per cent. of the equity in the company, which will manufacture up to 5,000 tractors and 6,000 engines a year.

At present the Egyptian tractor market, fluctuating between 1,500 and 2,500 units a year, is supplied mainly by imports from Eastern Europe. But for the past year, the Egyptian Government has been negotiating with various Western tractor companies and it appears that, in principle, Massey-Ferguson has been chosen as the preferred manufacturer, although many details remain to be discussed before construction of the plant goes ahead.

The size of the proected plant indicates the Egyptian Government's desire to encourage exports. It is hoped that part of the company's production will be sold in neighbouring Middle Eastern countries.

hTe signing of the agreement is important both for Massey-Ferguson and for the U.K., since there is a strong competition among European, American, and Japanese manufacturers to participate in Egypt's industrialisation programme.

Fiat is believed to be negotiating a project for the manufacture of cars and commercial vehicles, while another European group, involving Berliet of France and Deutz of West Germany, has been discussing a truck and bus project.

Massey-Ferguson is engaged on a number of other tractor manufacturing projects around the world, of which the two biggest are in Iran and in Poland.

First devolution Bill amendments tabled

BY RICHARD EVANS, LOBBY EDITOR

THE FIRST BATCH of what promises to be a mountain of amendments to the Scottish and Welsh devolution Bill shows the difficulties the Government will encounter next year during its line-by-line committee stage.

The Opposition Front Bench has tabled a series of amendments, proposing that Wales should be deleted from the Bill and some Tory backbenchers have suggested even more fundamental alterations.

These amendments will be followed, after the Christmas recess, by several hundred more from the Conservatives, Liberals, Scottish National Party and others, including Labour critics of the Bill.

Throughout the committee stage lasting several months, Ministers will face a combination of opponents on various key elements of the Bill.

The amendments already tabled show that, despite the softer attitude the Conservative Front Bench has adopted to calm the fears of Scottish Tory pro-devolutionists, the campaign against many of the Bill's provisions will be undiminished.

A group of Scots Tories opposed to devolution, led by Miss Betty Harvis Anderson, MP for East Renfrewshire, has proposed that Scotland be deleted from the Bill while English anti-devolutionists, in separate amendments, have suggested that both Scotland and Wales should be excluded.

Other amendments would turn a Scots Assembly into another tier of local government, exclude Orkney and Shetland from the Bill and cut Scottish representation at Westminster if a separate Assembly were set up in Edinburgh.

A group of Liberal amendments set March 29, 1978, as the date for elections to the new Assemblies and propose that elections should be based on the single transferable vote system of proportional representation.

Feature, Page 15

Weather

U.K. TO-DAY

DULL. Rain or snow in N. Fog in S.

London, S.E., Cent., S.W., E. England, E. Anglia, Channel Is., Midlands, Wales

Dull. Fog, which may be persistent. Mostly dry. Max. 6C (43F).

N.W., Cent. N. England

Dull. Fog, which may be persistent. Occasional rain, snow on high ground. Max. 5C (41F).

Lakes, I. of Man, N.E. England, All Scotland, Shetland, N. Ireland

Dull and wet; snow on high ground. Max. 4-5C (39F).

Outlook: Cold in N., with sleet or snow. Rather cold in S., with some rain.

Lighting-up: London 16.23, Manchester 16.21, Glasgow 16.15, Belfast 16.29.

Snow reports Page 8

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	C	3	37	Manchstr.	C	3	37
Athens	F	13	55	Melbourne	S	30	86
Barcelona	C	11	52	Milan	C	8	46
Belfast	D	3	37	Montreal	C	−5	23
Belgrade	S	8	46	Moscow	C	0	32
Berlin	C	1	34	Munich	C	−3	27
Birmghm.	Fg	3	37	Newcastle	R	5	41
Bristol	C	3	37	New York	C	7	45
Brussels	F	4	39	Oslo	C	−7	19
Budapest	F	6	43	Paris	R	7	45
B. Aires	C	24	75	Perth	C	24	75
Cairo	S	19	66	Prague	Fg	0	32
Cardiff	C	4	39	Reykjavik	F	2	36
Cologne	C	3	37	Rio de J'o	S	31	88
Copnhagn.	C	−2	28	Rome	S	15	59
Dublin	C	3	37	Singapore	S	29	84
Edinb'gh.	R	4	39	Stockholm	C	−7	19
Frankfurt	C	3	38	Strasbrg.	C	0	32
Geneva	C	2	36	Sydney	S	22	72
Glasgow	R	3	37	Tehran	C	6	43
Helsinki	S	−7	19	Tel Aviv	F	16	61
Hong Kg.	S	25	77	Tokyo	C	10	50
Jo'burg	S	24	75	Toronto	R	3	38
Lisbon	F	12	54	Vienna	C	10	50
London	D	7	45	Warsaw	R	1	34
Luxemb'g	Fg	0	32	Zurich	C	−2	28
Madrid	C	8	46				

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	18	64	Jersey	C	8	46
Algiers	R	9	48	Las Plms.	F	19	66
Biarritz	C	10	50	Locarno	C	8	46
Blackpool	C	4	39	Majorca	C	14	57
Bordeaux	C	9	48	Malaga	D	12	54
Boulogne	C	5	41	Malta	F	17	63
Casblnca.	C	16	61	Nairobi	C	21	70
Cape Tn.	S	23	73	Naples	S	16	61
Corfu	C	14	57	Nassau	C	26	79
Dubrovnik	C	13	55	Nice	S	14	57
Faro	F	14	57	Oporto	F	12	54
Florence	S	15	59	Rhodes	S	16	61
Funchal	F	16	61	Salzburg	C	−2	28
Gibraltar	F	11	52	Tangier	C	13	55
Guernsey	D	8	46	Tenerife	F	13	55
Innsbruck	S	4	39	Tunis	C	17	63
I. of Man	R	4	39	Valencia	C	13	55
Inverness	R	1	34	Venice	C	10	50
Istanbul	C	10	50				

S—Sunny. F—Fair. C—Cloudy. Fg—Fog. D—Drizzle. R—Rain.

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